MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Agenda for Board Meeting of the Authority November 13, 2020

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Authority Matters

Office of Economic Transformation

Incentives

Loans/Grants/Guarantees

Real Estate

Board Memoranda

Public Comment

Executive Session

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

October 14, 2020

The Meeting was held by teleconference call.

MINUTES OF THE MEETING

Members of the Authority present via conference call: Chairman Kevin Quinn; Commissioner Marlene Caride of the Department of Banking and Insurance; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Jane Rosenblatt representing Commissioner Catherine McCabe of the Department of Environmental Protection; Catherine Brennan of Office of the State Treasurer;

Public Members: Charles Sarlo, Vice Chairman; Philip Alagia, Fred Dumont, Virginia Bauer, Aisha Glover, Marcia Marley, Robert Shimko, First Alternate Public Member; and Rosemari Hicks, Second Alternate Public Member.

Members of the Authority absent: Public Member: Massiel Medina Ferrara.

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Assistant Attorney General Gabriel Chacon; Stephanie Brown, Governor's Authorities Unit; and staff.

Chairman Quinn called the meeting to order at 10:00 am with a quorum of the Board present.

Prior to commencing the meeting, Chairman Quinn asked Tim Sullivan to read the Open Public Meetings announcement and Danielle Esser performed the roll call of the Board.

PREVIOUS MEETING OF AUTHORITY MINUTES

The next item of business was the approval of the September 9, 2020 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Alagia, and was approved by 10 voting members present. Ms. Brennan from the Department of Treasury abstained from voting as Treasury was not present at the September Board Meeting.

The next item of business was the approval of the September 9, 2020 Executive Session meeting minutes. A motion was made to approve the minutes by Mr. Sarlo, and seconded by Mr. Shimko, and was approved by 9 voting members present. Ms. Brennan from the Department of Treasury and Ms. Bauer abstained, as Treasury was not present at the September Board Meeting and Ms. Bauer was not present for the Executive Session discussion at the September meeting.

FOR INFORMATION ONLY: The next item was the presentation of the Chairman's Remarks to the Board.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

Tim Sullivan acknowledged Chairman Kevin Quinn's and Marcia Marley's re-appointment to the Board, each for a 3-year term.

COVID-19 RESPONSE

ITEM: New Jersey Small and Micro Business PPE Access Program – Creation of Phase 2 and Modification of Phase 1
REQUEST: To approve the creation of Phase 2 and modification of Phase 1 of the New Jersey Small and Micro Business PPE Access Program, and associated program related implementation measures and delegated authority associated with the implementation of the program.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. Dumont **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Delegations of Authority Regarding Disqualifications
REQUEST: To approve clarification and expansion of delegation of authority related to disqualification and suspension of applicants for the Small Business Emergency Assistance Grant Program.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Marley **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Aisha Glover and Commissioner Caride joined the meeting at this time.

ITEM: Use of Coronavirus Relief Fund Appropriation and Creation of Small Business Emergency Assistance Grant Program – Phase 3
REQUEST: To approve a Memorandum of Understanding (MOU) with the NJ Department of Treasury and the creation of a third phase of the Small Business Emergency Assistance Grant Program and associated program related implementation measures and delegated authority associated with the implementation of the program.
MOTION TO APPROVE: Mr. Sarlo **SECOND:** Commissioner Caride **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

AUTHORITY MATTERS

ITEM: Follow-on Work: Information Technology and Business Process Analysis Consulting Services – Microsoft Dynamics CRM, Commercial Loan System and Additional Third-Party Systems
REQUEST: To approve new contract funding and contract extension to support COVID-related functionality and systems enhancements.
MOTION TO APPROVE: Ms. Brennan **SECOND:** Ms. Bauer **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

OFFICE OF ECONOMIC TRANSFORMATION

ITEM: Clean Energy Memorandum of Understanding (MOU) – NJEDA and the NJ Commission on Science, Innovation and Technology (CSIT)

REQUEST: To approve NJEDA entering into an MOU with the CSIT to allocate $1,187,500 in funding to CSIT develop and implement targeted cleantech programs and initiatives.
MOTION TO APPROVE: Ms. Hicks **SECOND:** Ms. Marley **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

INCENTIVES

FILM TAX CREDIT

ITEM: Film Tax Credit Program – Certification of Unused or Unredeemed Credits in SFY2020 and Increase to SFY2021
REQUEST: To approve the certification of $64,321,724 in unused and unredeemed film tax credits for SFY2020, which will increase by $50,000,000 the film tax credits available for SFY2021.
MOTION TO APPROVE: Ms. Brennan **SECOND:** Commissioner Caride **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: PROJECT: Bruised Film Holdings, Inc. PROD. #00188081
MAX AMOUNT OF TAX CREDITS: $3,180,065
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Brennan **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ANGEL TAX CREDIT

ITEM: Angel Tax Credit Enhanced Delegations
REQUEST: To approve temporary expanded delegations for the 2020 program administration of the New Jersey Angel Investor Tax Credit (ATC) Program.
MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Alagia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

REAL ESTATE

ITEM: Professional Services Contract Budget Increase Langan Engineering and Environmental Services, Inc., State Office Building, Health Building Project, Trenton, NJ
REQUEST: To approve the increase in the total contract budget for Langan Engineering and Environmental Services, Inc. for Civil and Environmental Engineering Services associated with the demolition and parking lot improvement component of the Health Building Project in Trenton, NJ.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Bauer **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

BOARD MEMORANDA

FYI ONLY: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/ Licenses for Third Quarter 2020

FYI ONLY: Credit Underwriting Projects Approved under Delegated Authority Approvals, September 2020

Premier Lender Program
PROJECT: DFP 14 LLC (PROD. #00206946)
LOCATION: Farmingdale Borough, Monmouth County
PROCEEDS FOR: Purchase the project property
FINANCING: TD Bank N.A. $1,625,000 loan with a (21%) $342,000 Authority participation

PUBLIC COMMENT

The following member of the public addressed the Board:
Mr. Christopher Emigholz, Vice President of Government Affairs, NJBIA asked how can NJBIA assist with supporting Phase Three of the COVID-19 Small Business Emergency Assistance Grant Program. Further, Mr. Emigholz inquired about the PPE Access Program and reimbursement requirements.

Tim Sullivan responded that NJEDA is working on a collaboration with NJBIA for an upcoming webinar. He also mentioned that the PPE Access program can only be used for new purchases.

ADJOURNMENT

There being no further business, on a motion by Chairman Quinn, and seconded by Ms. Bauer, the meeting was adjourned at 11:30AM.

CERTIFICATION

The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Danielle Esser
Danielle Esser, Director
Governance & Strategic Initiatives

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: November 13, 2020

Re: November 2020 Board Meeting

Eight months since the COVID-19 pandemic arrived in New Jersey, we continue to work to overcome its myriad health, societal, and economic challenges. Last month we took a major step to support small businesses impacted by the pandemic, deploying $70 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding through Phase 3 of the Small Business Emergency Assistance Grant Program. This latest phase of the Grant Program expanded eligibility to include more businesses and increased the amount of funding businesses could receive. To ensure funds went where they were most needed, Phase 3 provided targeted funding for restaurants, micro-businesses, and businesses in historically disadvantaged communities. To date, we have approved more than 1,800 businesses for Phase 3 grants totaling more than $22.3 million. With these new approvals, we have now provided 23,800 businesses with $87 million in funding over the course of all three phases of the Small Business Emergency Assistance Grant Program. This week we were excited to learn that Governor Phil Murphy intends to commit at least $60 million dollars in additional funding to Phase 3 of the Grant Program, enabling us to fulfill grants for all eligible businesses among the nearly 22,000 that submitted applications before the deadline. Staff is working diligently to ensure all CARES Act funding is exhausted by next month's December 30th deadline.

In addition to providing funding businesses need to stay open, we are also working with partners in private industry to ensure small businesses in New Jersey have reliable access to affordable Personal Protective Equipment (PPE) to keep their employees and customers safe. Launched in late October, the Small and Micro Business PPE Access Program provides New Jersey-based businesses access to an online tool to help identify what protective equipment they need and 10 percent discounts on PPE supplies purchased from NJEDA-approved "Designated Vendors." Current Designated Vendors include Boxed, Office Depot, and Staples. On Tuesday, we launched Phase 2 of this program, which allows businesses and nonprofits with fewer than 100 employees to apply for an additional 25 percent discount. So far, over 1,000 businesses have qualified for nearly $500,000 in discounts.

As we work to address our current challenges, it is also important we look toward the future and help communities prepare for recovery and long-term success. To that end, today you will be presented details of the NJEDA's Brownfields Loan Program, a powerful financial tool that will provide vital gap funding to help brownfields redevelopment projects make it through the initial planning and cleanup stages to successfully transform contaminated properties into valuable community assets. The Loan Program is part of NJEDA Community Revitalization, an emerging suite of solutions designed to build a greener, fairer New Jersey by ensuring that residents living in communities that have historically suffered from disinvestment, environmental contamination, and health disparities benefit from brownfields redevelopment.

The state's innovation sector is another area of the economy where Governor Murphy's focus on equity and inclusivity is apparent. New Jersey's entrepreneurial spirit remains strong, as evidenced by an uptick in interest in the NJEDA's Angel Investor Tax Credit Program. In July 2019, Governor Murphy signed key enhancements to the Program into law that include a bonus for investments in women- and/or minority-certified businesses or businesses in opportunity zones. These changes, plus an increase in the tax credit from 10 percent to 20 percent, took effect for investments occurring on or after January 1, 2020. For the first time in program history, the Angel Investor Tax Credit Program exceeded the program legislative allocation of $25 million on October 30, 2020. So far in 2020, the NJEDA has received a record-breaking 640+ applications, which represents investment of just under $180 million into New Jersey-based innovation businesses.

Despite restrictions on in-person events due to the pandemic, NJEDA staff continues to engage in dialogue with business owners and other stakeholders to ensure they are aware of the Authority's programs for COVID-19 recovery and other new initiatives. In October, NJEDA staff participated in more than a dozen webinars focused on helping business owners prepare to apply for Phase 3 of the Small Business Emergency Assistance Grant Program, as well as the Time for Turbines 4th Annual Conference and the NJ Commission on Science, Innovation and Technology's Opportunities for New Jersey's Innovation Ecosystem During COVID conference. To help raise awareness of the Brownfields Loan Program, NJEDA staff members have been participating in a series of webinars hosted by the Brownfields Assistance Center at the New Jersey Institute of Technology in partnership with the Together North Jersey Institute and, next week, NJEDA Senior Brownfields Advisor Elizabeth Limbrick will lead a session on brownfield redevelopment at the annual League of Municipalities conference.

Earlier this week I had the honor of congratulating more than 40 small business owners on their graduation from the Small Business Bonding Readiness Assistance Program, which the NJEDA offers in partnership with the African American Chamber of Commerce of New Jersey. Tuesday's virtual event celebrated the culmination of months of training for three classes of small-, minority- and women-owned businesses as they learned how to prepare to obtain bonds, a crucial step in competing for state and federal government contracts. The event honored the most recent class, which hailed from Atlantic City and Newark, as well as previous classes of Camden and Jersey City business owners. To date, these classes have already qualified for a total of more than $9.4 million in surety bonding. Since the Program's inception in 2018, 67 small-, minority- and woman-owned businesses have participated and more than 46 have qualified for $20.8 million in surety bonding.

Many thanks to NJEDA staff and partners that have been so resilient and positive during this long and difficult crisis, and especially to all members of our Board for their guidance and support of our commitment to New Jersey's recovery and long-term growth.

COVID-19 RESPONSE PROGRAM

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: Additional Funding - Small Business Emergency Assistance Loan Program - Phase 1

Summary

The Members are asked to approve additional funding of up to $750,000 from the Economic Recovery Fund for the Small Business Emergency Assistance Loan Program – Phase 1 ("Program"). The funding would allow for approval of applications that are in the appeal process or would otherwise only be partially funded at the time the Program limit of $10 million is exhausted.

Background

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of COVID-19. Subsequent containment measures were implemented, including restrictions on public gatherings and mandated closing for non-essential businesses, which are only recently starting to be relaxed. While these measures were consistent with similar measures being taken nationally to limit the public's exposure to COVID-19, our nation's economy has been adversely impacted. Within New Jersey, small businesses, and residents employed by these businesses, have faced significant economic challenges as businesses have had difficulties meeting payroll obligations and supporting basic operating during this prolonged period of business interruption.

On March 26, 2020, the Members approved the creation of the Small Business Emergency Assistance Loan Program (Phase 1) – an emergency loan program to make low-cost financing available to allow small businesses to cover operating expenses and ensure continuity of operation until the COVID-19 outbreak is controlled to the point where normal operations can resume. This program was funded by $10 million from the Economic Recovery Fund or NJEDA general operating budget, and applications for financing were made public beginning April 13, 2020. The response to the program was overwhelming, with the Authority receiving 3,528 applications, representing an estimated $248 million in total funding requested. Loan applications that are complete are considered on a first come, first serve rolling basis. As of November 4, 2020, there are 139 active loan approvals totaling approximately $9.6 million.

The Program provides applicants the opportunity to appeal the decision when a loan is declined. To date, 55 appeals have been received with 7 currently active in the appeal process for a total of approximately $600 thousand in potential loans. Applicants that are successful in the appeal process are returned for completeness review and proceed to underwriting if the program requirements are met. Following the first come first serve process, successful appeals that are continuing in the review process are considered as part of the overall $10 million program and retain their place in the applicant queue. As loan approvals approach the total funding allocated to the program, staff wants to ensure that there are enough funds available to address two potential situations. First, to fund any successful loan appeals that may be in process at the time the $10 million program maximum is met. And second, for the program's final loan, to fund any difference between the approved loan amount and the remainder of the $10 million, so that applicant has the benefit of a fully funded loan. The additional funding of up to $750,000 will allow staff to continue approving loans as they are complete while retaining the ability to address the needs in both these situations. Staff estimates the $750,000 to be sufficient in light of the program's rate of successful loan appeals and the average size of approved loans.

Recommendation

Approval is requested for additional funding of up to $750,000 from the Economic Recovery Fund to support loan approvals in the Small Business Emergency Assistance Loan Program – Phase 1. The funding would be used for the approval of applications that are in the appeal process or would otherwise only be partially funded at the time the Program limit of $10 million is exhausted.

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Tim Sullivan, CEO

Prepared by: Lori Matheus

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: Memorandum of Understanding with the NJ Department of the Treasury

Summary

The Members are asked to approve the attached Memorandum of Understanding (MOU) with the NJ Department of the Treasury (Treasury), and/or one or more amendments to the MOU, to permit the Authority to accept additional funding from the Coronavirus Relief Fund established under the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Background

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of the COVID-19 pandemic. Subsequent containment measures were implemented, including restrictions on public gatherings and mandated closure of non-essential businesses. While these measures are consistent with similar measures being taken nationally that are expected to limit the public's exposure to COVID-19, there has been and will continue to be a significant adverse impact on our state's economy.

Since then, the Board has approved and the Authority has implemented a number of emergency COVID-19 related programs. Some of those programs were funded using moneys from the Coronavirus Relief Fund (CRF) established under the CARES Act, specifically the Small Business Emergency Assistance Grant Program and the Small and Micro Business PPE Access Program. For each tranche of CRF funding, the Authority has executed an MOU with Treasury. In each MOU, Treasury has agreed to provide the funding and the Authority has agreed to administer the funding in accordance with the MOU and applicable legal requirements.

On May 22, 2020, the Members approved an MOU with Treasury whereby the EDA accepted \$51 million in CRF funding to reimburse the first tranche of \$5 million expended on Phase 1 of the Small Business Emergency Assistance Grant Program and to provide \$45 million to create and fund Phase 2 of that program and \$1 million for administrative costs.

On August 11, 2020, the Members approved an amendment to the MOU between the EDA and Treasury whereby the NJEDA accepted an additional $15.3 million in CRF funding. That additional funding further capitalized Phase 2 of the Small Business Emergency Assistance Grant Program and covered administrative costs associated therewith. That tranche of funding was allocated to grants to eligible entities in Atlantic, Burlington, Cape May, Cumberland, Gloucester, Hunterdon, Mercer, Morris, Salem, Somerset, Sussex, and Warren counties (counties that had not received allocations of CRF funding directly from the federal government).

On October 14, 2020, the Members approved a Second Amendment to the MOU with Treasury. Pursuant to that Second Amendment, the NJEDA accepted $73.5 million in additional CRF funding and agreed to comply with applicable federal requirements. Those funds were allocated to funding for Phase 3 of the Small Business Emergency Assistance Grant Program: $70 million for grants plus $3.5 million for administrative costs. (The Members also approved delegated authority for the Chief Executive Officer to accept up to $30 million in additional CRF funding for Phase 3, for a total of $100 million, if such funds became available, applicant demand exists, and the Authority can disburse the additional funds prior to the applicable deadlines.)

On August 11, 2020, the Members approved another MOU with Treasury for the NJ Small and Micro Business PPE Access Program. The MOU provided $0.3 million for marketing and technology development, $0.2 million for administration, and $3.5 million for Phase 1 of the program.

On October 14, 2020, the Members approved an amendment to that MOU. The amendment provided $20.4 million for Phase 2 and an additional $0.6 million for administration and marketing of the program. The Members also approved delegated authority for the Chief Executive Officer to accept additional CRF funding for a total of $40 million if additional funds became available based upon program demand.

After discussion with Treasury, staff requested, and Treasury has agreed to, reimbursement of certain additional funds used in COVID-19 programs as well as direct administrative expenses and staff time associated with implementation of COVID-19 programs. Staff seeks authority to accept this additional CRF funding and to enter into a new MOU with Treasury for these funds. Specifically, the additional CRF funding will be used to reimburse the Authority for:

- The second tranche of $5 million that the Authority used for the Phase 1 of the Small Business Emergency Assistance Grant Program;
- $1.25 million for grants provided through the Authority's Community Development Financial Institution (CDFI) Emergency Assistance Grant Program;
- $3,831,074.84 in administrative costs incurred in connection with the NJEDA's implementation of its COVID-19 programs; and
- $3,474,656.09 in staff time for COVID-19 activities.

Because the deadline for expending all CRF funding is fast approaching, the Members are also asked to approve delegated authority to permit the Chief Executive Officer to accept additional funding (through an amendment to this MOU or a new MOU in substantially the same form as this MOU) in the event that such funding becomes available and the Authority has additional reimbursable expenses and/or the Authority will be able to disburse the additional funds prior to applicable deadlines.

Like prior MOUs, this MOU, and any other MOUs or MOU amendments, will require the Authority to comply with applicable federal requirements and will enable Treasury to claw back any funds the use of which are inconsistent with those federal requirements. They will also require the NJEDA to disburse funds prior to December 1, 2020, but the Treasurer may extend that date to December 30 (the CRF deadline) based on the Authority's reports prior to that date showing that the Authority will be able to expend the funds by that date. If the deadline is not extended, the NJEDA will have to promptly return any and all unexpended funds, as specified in the applicable MOU.

Recommendation

The Members are asked to approve the attached Memorandum of Understanding with the NJ Department of the Treasury and delegated authority to the Chief Executive Officer to enter into additional MOUs or amendments to the attached MOU to permit the Authority to accept additional funding from the Coronavirus Relief Fund established under the Federal Coronavirus Aid, Relief, and Economic Security Act.

Tim Sullivan
Chief Executive Officer

Prepared by: Christine Baker

Attachment: Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TREASURER OF THE STATE OF NEW JERSEY
AND
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
FOR
NJEDA COVID19 EMERGENCY ASSISTANCE PROGRAMS AND
GENERAL ADMINSITRATIVE EXPENSES

This **MEMORANDUM OF UNDERSTANDING** ("MOU") made by and between the TREASURER ("Treasurer") of the New Jersey Department of the Treasury ("Treasury) and the NEW JERSEY ECONOMIC AUTHORITY ("Authority"), an instrumentality of the State of New Jersey (the "State"). The Authority and the Treasurer may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party."

PREAMBLES

WHEREAS, due to the increase in the number of novel coronavirus ("COVID-19") cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the "State") on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the "COVID-19 Pandemic") and on March 13, 2020, the President of the United States declared a national state of emergency; and

WHEREAS, in response to the COVID-19 Pandemic, Congress enacted the "Coronavirus Aid, Relief and Economic Security Act," P.L. 116-136, codified at 134 Stat. 281 (the "CARES Act"); and

WHEREAS, the CARES Act provides, among other thing, some fiscal relief to the states; and

WHEREAS, pursuant to the Fiscal Year 2020 Appropriations Act, L. 2020, c. 97 (the "FY 2021 Appropriations Act"), monies received from the federal government pursuant to a federal economic stimulus bill are appropriated to the applicable State entity to be spent on the purposes authorized by the federal economic stimulus bill; and

WHEREAS, the State received $2.4 billion (the "CARES Funds") from the federal government under the CARES Act, which monies must be used in conformance with the requirements of the CARES Act; and

WHEREAS, since March 2020, the Authority has implemented a number of COVID-19 emergency assistance programs, including: Small Business Emergency Assistance Grant Program (Phases 1 & 2), Small Business Emergency Assistance Loan Program (Phases 1 & 2), CDFI Emergency Assistance Grant Program, CDFI Emergency Loan Loss Reserve Fund, NJ Entrepreneur Support Program, NJ Small and Micro Business PPE Access Program, Technical Assistance Consulting Services for Small Business Economic Injury Loans and the Paycheck Protection Program, and E-Commerce Technical Assistance Program (collectively, "COVID-19 Programs"); and

WHEREAS, the Authority and Treasurer entered into MOUs, and amendments, for the Small Business Emergency Assistance Grant Program and for the NJ Small and Micro Business PPE Access Program ("Existing MOUs"), which included funding for some administrative costs for those programs; and

WHEREAS, the Treasurer has determined that it would be in the best interests of the State to use a portion of the CARES Funds, in an amount not to exceed $13,555,730.93 as reimbursement for the Authority funding of the second tranche of the Small Business Emergency Assistance Grant Program and CDFI Emergency Assistance Grant Program, as detailed in Exhibit A and B, attached hereto and fully incorporated herein, and the Authority's additional administrative costs and staff time incurred in connection with the COVID-19 Programs and not included in the Existing MOUs; and

WHEREAS, pursuant to this MOU, the Parties wish to set forth their understandings with respect to providing reimbursement to the Authority; and

WHEREAS, N.J.S.A. 52:14-1 et seq. authorizes State agencies to enter into agreements to provide assistance to each other.

NOW, THEREFORE, the Treasurer and the Authority agree as follows:

Section 1. Grant Award**.**

Subject to the terms and conditions of this MOU, the Treasurer, as recipient of the CARES Funds, shall make available to the Authority funds in the amount of Thirteen Million, Five Hundred and Fifty-Five Thousand, Seven Hundred and Thirty Dollars with Ninety-Three cents ($13,555,730.93) (the "Grant Funds") for the purpose of providing reimbursement to the Authority as follows:

- $5 million used for the Small Business Emergency Assistance Grant Program (Second Tranche)
- $1.25 million used for the CDFI Emergency Grant Program
- $3,831,074.84 in administrative costs incurred in connection with the Authority's implementation of its COVID-19 Programs that are not included in the Existing MOUs
- $3,474,656.09 in staff time that is not included in the Existing MOUs

Section 2. Terms of the Grant Award

The Authority will use Grant Funds to reimburse itself for the Small Business Emergency Assistance Grant Program (Second Tranche) and CDFI Emergency Grant Program, as set forth in Exhibits A and B, attached hereto and made a part hereof, and for the administrative costs and staff time listed in the spreadsheet attached as Exhibit C. Any material changes to the use of Grant Funds must be approved by the Treasurer prior to implementation of any such changes, except to the extent such changes are required to conform to federal requirements or conditions of funding.

Section 3. Responsibilities of the Authority

3.1 All Grant Funds must be disbursed by the Authority no later than December 1, 2020. Based upon reports submitted by the Authority to the Treasurer prior to December 1, 2020, the Treasurer may extend the disbursement date to December 30, 2020. To ensure compliance with the CARES Act and U.S. Department of the Treasury requirements, all Grant Funds must be expended by grantees no later than December 30, 2020.

3.3 The Authority shall comply with the CARES Act, including, but not limited to, the U.S. Department of the Treasury Guidance and Frequently Asked Questions, as they may be updated.

3.4 In the event that the Authority does not disburse all of the Grant Funds by the time set forth in Section 3.1 above, the Authority shall promptly remit to the Treasurer the balance of the remaining Grant Funds.

3.5 The Authority shall be responsible for using the Grant Funds in accordance with all applicable State and federal laws and regulations. It shall be the Authority's responsibility to require that all of its grantees adhere to all applicable State and federal laws and regulations. The Authority shall conduct all necessary monitoring for such compliance. To the extent that the U.S. Department of the Treasury audits the use of the Grant Funds, the Authority shall respond to such audit(s). The Authority shall also be responsible for any recoupment of the Grant Funds that the U.S. Department of the Treasury may require.

3.6 The monitor for the Authority for this MOU is the Senior Vice President, Strategic Initiatives and Operations, who shall be responsible for overseeing the successful performance and completion of the Authority's obligations as provided in this MOU. The Authority shall submit a report of project progress to the Treasurer on a schedule and dates to be provided by the Authority. The Authority shall be required to obtain any necessary information from recipients of the Grant Funds to indicate compliance by recipients with Program and federal requirements.

3.7 The Authority will provide the New Jersey Office of Emergency Management ("NJOEM") documentation in its NJEMgrants.org grant tracking system showing a full itemized accounting of 100% of the eligible costs. The Authority is responsible for tracking and verification of all costs.

3.8 The Authority is responsible for ensuring the Grant Funds do not constitute a Duplication of Benefits as defined by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. The Authority shall establish appropriate policies and procedures to prevent Duplication of Benefits and shall cooperate with other State departments and agencies to prevent and rectify Duplication of Benefits, which may include, but is not limited to, recoupment of Grant Funds.

Section 4. General Provisions

4.1 Termination and Amendments. This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either the Authority or the Treasurer upon thirty (30) days prior written notice to the other Party.

4.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

4.3 There are no third-party beneficiaries of this MOU.

4.4 This MOU shall be administered consistent with N.J.S.A. 52:14-1 et seq.

4.5 The Effective Date of this MOU shall be the later of the date executed by the Parties below. The term of this MOU shall be for a period of two (2) years from the Effective Date unless extended by agreement of the Parties.

4.6 The Treasurer and the Authority shall retain all the powers, obligations and immunities provided by law.

4.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

4.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed and delivered this MOU on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.

Treasurer of the State of New Jersey

___________________________________ Date: ___________________________
By: Elizabeth Maher Muoio

New Jersey Economic Development Authority

--- Date: ---
By: Tim Sullivan, Chief Executive Officer

Attachment: Exhibit A – Small Business Emergency Assistance Grant Program (second tranche)
Exhibit B – CDFI Emergency Assistance Grant Program
Exhibit C – Cost Reimbursement Schedule

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: New Jersey Small and Micro Business PPE Access Program -
Clarification of Delegated Authority

Summary

The Members are asked to approve the following changes to Delegated Authority for the New Jersey Small and Micro Business PPE Access Program:

(6d) The Chief Executive Officer, Senior Vice President - Economic Transformation, or any Director within the Office of Economic Transformation, delegated authority to decline Program subsidy eligibility based solely on non-discretionary reasons as determined by an automated process or through a manual review; and

(6e) In connection with appeals from declinations based solely on non-discretionary reasons, delegated authority to the Chief Executive Officer or Senior Vice President - Economic Transformation to designate one or more Hearing Officers to prepare a Final Administrative Decisions. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer.

Background

On August 11th, 2020, the Members of the Board approved Phase 1 of the Small and Micro Business PPE Access Program, and on October 14th, 2020, the Members approved Phase 2 of the Program. To ensure efficient implementation of the program, Staff sought delegated authority for approvals, non-discretionary declinations, and final administrative decisions for appeals based on solely non-discretionary declinations.

It has become clear, however, that given the potential volume of approvals, declinations, and appeals the Authority is anticipating, it is necessary to seek delegated authority for additional staff members so that the Authority will have greater capacity to support the declination and appeals processes. Therefore, the Members are requested to approve changes to delegated authority for the New Jersey Small and Micro Business PPE Access Program which will provide additional staff the authority to approve potential subsidy recipients, decline subsidy applicants based solely on non-discretionary reasons, and ability to manage the appeals process associated with declinations for solely non-discretionary reasons. The additional levels of delegated authority approvals are appropriate for this program given the relatively small size of subsidy involved with each approval (up to $500 for round one of the program or up to a potential maximum of $1,000 per company in future rounds (depending on demand and funding availability)).

Below is a table summarizing the changes being presented for the Members' consideration, and the reason for the requested change.

Request as Originally Approved on 10/14/2020	**Proposed Change Requested on 11/13/2020**	**Reason for Change**
(6d) The CEO or the SVP of Economic Transformation to, upon recommendation of the reviewing officer, decline Program subsidy eligibility based solely on non-discretionary reasons	(6d) The Chief Executive Officer, Senior Vice President - Economic Transformation, ***<u>or any Director within the Office of Economic Transformation</u>***, delegated authority to decline Program subsidy eligibility based solely on non-discretionary reasons ***<u>as determined by an automated process or through a manual review</u>***	Provides additional staff (any Director within the Office of Economic Transformation) with authority to decline based solely on non-discretionary reasons. Also clarifies that for declinations, these non-discretionary reasons may be determined either through an automated process or through manual review.
(6e) The CEO or the SVP of Economic Transformation to approve a hearing officer's finding regarding a final administrative decision on subsidy eligibility appeals based solely on non-discretionary reasons.	(6e) In connection with appeals from declinations based solely on non-discretionary reasons, delegated authority to the Chief Executive Officer or Senior Vice President - Economic Transformation ***<u>to designate one or more Hearing Officers to prepare a Final Administrative Decisions. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or</u>***	Clarifies the appeals process that the CEO or SVP will first designate a hearing officer who will prepare a final administrative decision. Also provides additional staff (any SVP, EVP, VP, Managing Director, Director or Senior Legislative Officer) authority to approve the decision of the Hearing Officer.

	<u>Senior Legislative Officer, upon recommendation of the Hearing Officer</u>.	

<u>Recommendation</u>

Approval is requested for changes to Delegated Authority for the New Jersey Small and Micro Business PPE Access Program that include: (6d) The Chief Executive Officer, Senior Vice President - Economic Transformation, or any Director within the Office of Economic Transformation, delegated authority to decline Program subsidy eligibility based solely on non-discretionary reasons as determined by an automated process or through a manual review; and (3) In connection with appeals from declinations based solely on non-discretionary reasons, delegated authority to the Chief Executive Officer or Senior Vice President - Economic Transformation to designate one or more Hearing Officers to prepare a Final Administrative Decisions. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer.

Tim Sullivan
Chief Executive Officer

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: Sustain and Serve NJ

Summary

The Members are asked to approve:

1. The creation of the Sustain and Serve NJ Program – a pilot program that will make grant funding available to any eligible public or private entity, including all 501(c) non-profit organizations, for expenses directly associated with purchasing meals from New Jersey-based restaurants that have been negatively impacted by COVID-19.

2. Economic Recovery Fund Utilization of up to $2 million to fund the Sustain and Serve NJ Program.

3. Delegation to Authority staff (any Managing Director or Senior/Executive Vice President), upon recommendation of the reviewing officer, to approve individual applications or to decline for non-discretionary reasons to the Sustain and Serve NJ Program in accordance with the terms set forth in this memo and the attached program specifications.

4. In connection with appeals from declinations based solely on non-discretionary reasons, delegated authority to the Chief Executive Officer or any Senior/Executive Vice President to designate a one or more Hearing Officers to prepare a Final Administrative Decisions. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer.

5. Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept reimbursement of the Authority funding for this program from any available governmental (Federal, State or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program.

6. Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept unencumbered gifts for the purposes of expanding the funding pool of the Sustain and Serve NJ program.

Background

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of COVID-19. Governor Murphy has continued to extend the Public Health Emergency since that date. Subsequent containment measures were implemented, including restrictions on public gatherings and mandated closure of non-essential businesses. While these measures are consistent with similar measures being taken nationally that are expected to limit the public's exposure to COVID-19, there has been and will continue to be a significant adverse impact on our state's economy.

Businesses classified as "Food Services and Drinking Places" under NAICS code 722 (described in this document as "Restaurants"), have been disproportionately impacted by COVID-19, because of caps on location dining and unusual costs incurred to adapt business models for safe operations.

With the Public Health Emergency in place and millions of New Jerseyans abruptly staying home, restaurant revenue plummeted or disappeared, and many restaurants have had little choice but to change – or abandon – their operating model overnight, with some having to close their doors completely and lay off or furlough all staff. Many restaurants that have changed their model have rapidly shifted to a takeout-only model, which resulted in a significant reduction in staff.

In 2019, according to the NJ Department of Labor and Workforce Development (NJDOL), 270,000 restaurant workers were employed in New Jersey. Since the beginning of the pandemic, NJDOL reports that 131,710 restaurant workers have filed Unemployment Insurance claims. In 2018, the National Restaurant Association reported there were over 19,000 restaurants in NJ. Prior to the pandemic, the sector was growing, with NJDOL projecting the sector would expand by more than 12 percent by 2026. Now, the New Jersey Restaurant and Hospitality Association estimates as many as 30 percent of New Jersey restaurants remain at risk of permanent closure.

While these figures are staggering, they were likely mitigated in part due to several New Jersey-based initiatives that emerged in direct response to COVID-19. Based on research by Authority staff, these initiatives appear to share the same core function - bulk purchase of pre-made meals from New Jersey restaurants, which were then distributed for free to target populations.

These initiatives aimed to achieve two central goals:

1) To provide urgently needed revenue to restaurants to offset direct losses due to COVID-19. This included restaurants that had temporarily closed; were preparing to close; and/or reduced their staff through layoffs or furloughs.

2) To distribute free meals purchased from local restaurants to target populations, including low-income individuals, senior citizens, health care workers, and first responders.

Based on research conducted by Authority staff, there appear to be commonalities in the approaches that have been used. These include:

- Purchasing meals from NJ-based restaurants at a consistent, flat rate (e.g. $5 or $10 per meal)

- Buying meals in bulk and at a large scale (hundreds or thousands per day)

- Identifying and/or requesting information from prospective restaurants about the impact of COVID-19 on their business (e.g., lost revenue, layoffs etc.)

Some of the initiatives were launched by existing organizations (primarily not-for-profits with 501(c)(3) designations). Others emerged quickly and organically within local communities. Some of the newly-formed groups have remained informal or have suspended their operations. Other new entities have obtained 501(c)(3) designation and/or joined forces with existing entities, like foundations.

While the Authority has been supporting restaurants through direct grants and other more standard assistance, this proposed pilot program assists restaurants by providing support in a way that enables restaurants to continue their core business of preparing food. Although the direct recipient of the grant are the entities described above, the ultimate beneficiaries are the restaurants.

Program Structure and Eligibility

Under the Sustain and Serve NJ Grant Program being presented for the Members for consideration, up to $2 million from Economic Recovery Fund would be utilized to make grants of at least $100,000 available to entities to support prospective expenses directly tied to bulk purchasing of meals from New Jersey-based restaurants negatively impacted by COVID-19. As part of the program requirements, the grant recipient is prohibited from reselling any meals purchased with grant funding.

Eligibility for grant recipients will be limited to public or private entities, including all 501(c) non-profit organizations, that can demonstrate as applicable: (1) legal registration to do business in the State of New Jersey, evidenced by a valid Business Registration Certificate; (2) good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor, and (3) a tax clearance certificate from the New Jersey Division of Taxation prior to execution of grant agreement.

Grant applications must also identify the restaurant(s) that they will be purchasing meals from using the grant funding, and must demonstrate through the grant application that those restaurant(s) have met their own program eligibility parameters. This includes: (1) a physical commercial location in New Jersey; (2) legal registration to do business in the State of New Jersey, evidenced by a valid Business Registration Certificate; (3) good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor, (4) satisfaction of the requirement by the New Jersey Division of Taxation with regard to taxes, which may be through a tax clearance certification or verification from the Division of Taxation that the restaurant is in good standing and does not have tax debts due to the State, (5) for all restaurants regulated by the Division of Alcoholic Beverage Control (ABC), good standing with ABC, with all decisions of good standing at the discretion of the ABC, and (6) current and valid certification from municipal and/or county government inspection that the restaurant has received a rating of Satisfactory as per New Jersey Retail Food Establishment Rating system. Furthermore, restaurant partners cannot have more than 50 full-time equivalent employees (FTEs) in total, at time of application, based on the company's most recently filed WR-30 with NJDOL.

To be eligible, grant applicants must demonstrate as part of the application their prior experience bulk purchasing meals, and capacity to continue bulk purchasing, by providing documents demonstrating purchases of 3,000 or more meals made by the entity from any New Jersey-based restaurant(s) totaling at least $50,000, purchased between March 9, 2020 and the date of application launch. Restaurants will not be permitted to apply directly for this grant. For the purposes of this grant, applicants may purchase from a new restaurant(s) they have not previously purchased from.

In the application, the applicant would be required to identify all restaurants they are proposing to purchase from, each restaurant's New Jersey physical commercial location, and provide a certification from each restaurant certifying that they were in operation on February 15, 2020, and detailing how the restaurant(s) has been negatively impacted by the COVID-19 declared state of emergency on March 9, 2020 (e.g., was temporarily shut down, was forced to reduce hours, has had a drop in revenue, has been materially impacted by employees who cannot work due to the outbreak, or has a supply chain that has materially been disrupted and therefore slowed firm-level production). The Authority anticipates providing a template form that applicants could provide to restaurants for their attestation. Once completed, it would be submitted as part of the grant application package. Grant applicants/recipients will be responsible for providing to the Authority any necessary supporting information and documentation from the restaurants to verify eligibility – whether that be as part of the application process, prior to grant agreement, or following execution of a grant agreement as part of an audit the Authority, U.S. Treasury, or any other relevant State or federal entity may conduct against the certifications provided at application.

Under this program, grant funding is restricted to expenses that will be incurred from the date of execution of grant agreement through April 30, 2021. Eligible expenses will be limited to the direct cost to the grantee of purchasing restaurant meals, as determined by the restaurant(s). The price charged by the restaurant per meal may include, but is not limited to, the restaurant's cost of food and ingredients, labor, packaging, and facilities, as well as any profit margin. Sales tax and gratuity cannot be paid for using grant funds. While the restaurant may charge any amount, the award amount will be capped at $10 per meal.

No other expense incurred by the grantee, whether in support of the meal purchase from the restaurant or otherwise, is eligible. This includes, but is not limited to: indirect/overhead costs incurred by the applicant (e.g. rent, insurance), staff, transportation, distribution, marketing, communications, sales tax and gratuity.

As part of the application for grant funding, entities will request a grant amount based on the projected number of meals to be purchased and estimated cost (per meal), excluding sales tax and gratuity. All grant estimates must be based on a flat rate per meal, subject to the cap of $10 per meal. For any grant that is awarded, disbursement of the total grant amount will be made incrementally from the Authority to the grantee as eligible expenses are incurred and disbursement is requested by the grantee. These disbursement requests must document that the expenses actually incurred are consistent with eligible uses of grant funding (i.e. the quantity of meals purchased, the cost per meal, and the restaurant from which the meals were purchased).

It is anticipated that during the term of the grant, the grant recipient may have a need to request a change or addition to its identified restaurants. The Authority will allow the grant recipient to request a change or addition to its eligible restaurants. This request, which must be submitted in writing, must verify the same requirements as the initial restaurants. Requests for changes or additions to restaurants will be reviewed by the Authority, and no changes or additions to the list of restaurants can be made by the grant recipient without the Authority's approval.

Unlike some of the other grant and loan programs administered by the Authority related to COVID-19, this application will not be first-come, first-serve. Instead, there will be a defined application window for entities to apply. If the total amount of grant funding requested and initially determined to be eligible among all eligible applications, as determined by staff, exceeds the $2 million available for this program, staff will prorate grant awards based upon the amount determined by staff for each eligible applicant, reducing all grant awards to reflect an eligible applicant's share of the eligible pool.

At this time, staff is requesting the use of funds from the Economic Recovery Fund under the recent statutory amendment that allows the use of that fund for grants to small and medium sized businesses and non-profits or that directly benefit such businesses and non-profits during a state of emergency. While the Authority has been able to use CARES Act funding from the Coronavirus Relief Fund ("CRF") for other emergency programs, the current deadline for expenditures under federal law for CRF is December 30, 2020. As there remains a possibility that future federal funding may become available, staff is requesting delegated authority (Chief Executive Officer or any Senior Vice President) to accept reimbursement from any governmental (Federal, State, or County) funding for the Authority funds used in this program and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program. Additionally, as with other emergency grant programs, staff is requesting delegated authority (Chief Executive Officer or any Senior Vice President) to accept unencumbered and unrestricted gifts for the purposes of expanding the funding pool of this program

To ensure that the grant funding can be disbursed as quickly as possible to support urgent economic need from New Jersey-based restaurants that are at risk of permanent closure, consistent with the approach taken in other COVID-19 related programs, and because multiple applications are anticipated, delegated authority is sought for staff (any Managing Director or Senior/Executive Vice President) to approve individual applications, upon recommendation of the reviewing officer, in accordance with the terms set forth in the attached program specifications. Because the specifications and eligibility requirements will result in nondiscretionary decisions, staff also requests the delegated authority to decline applicants. In connection with appeals from declinations based solely on non-discretionary reasons, staff additional requests delegated authority to the Chief Executive Officer or any Senior/Executive Vice President to designate a one or more Hearing Officers to prepare a Final Administrative Decisions. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer.

Due to financial hardship of the ultimate beneficiaries, the Authority will collect no fees from the applicant for this program.

Recommendation

Approval is requested for: (1) The creation of the Sustain and Serve NJ Program – a pilot program that will make grant funding available to any eligible public or private entity, including all 501(c) non-profit organizations, for expenses directly associated with purchasing meals from New Jersey-based restaurants that have been negatively impacted by COVID-19; (2) Utilization of up to $2 million from the Economic Recovery Fund to fund the Sustain and Serve NJ Program, (3) Delegation to Authority staff (any Managing Director or Senior/Executive Vice President), upon recommendation of the reviewing officer, to approve individual applications to the Sustain and Serve NJ Program in accordance with the terms set forth in this memo and the attached program specifications. Because the specifications are streamlined and will result in non-discretionary decisions, staff requests the delegated authority to decline applicants, (4) In connection with appeals from declinations based solely on non-discretionary reasons, delegated authority to the Chief Executive Officer or any Senior/Executive Vice President to designate a one or more Hearing Officers to prepare a Final Administrative Decisions. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer (5) Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept reimbursement of the Authority funding for this program from any available governmental (Federal, State or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program, and (6) Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept unencumbered gifts for the purposes of expanding the funding pool of the Sustain and Serve NJ program.

Tim Sullivan
Chief Executive Officer

Attachments
Exhibit A – Sustain and Serve NJ Program Specifications

<table>
<tr><td colspan="2">Sustain and Serve NJ
Proposed Program Specifications</td></tr>
<tr><td>Funding Source</td><td>Up to $2,000,000 – Economic Recovery Fund</td></tr>
<tr><td>Program Purpose</td><td>To provide urgently needed revenue to New Jersey-based restaurants to offset direct losses due to COVID-19. This included restaurants that had temporarily closed; were preparing to close; and/or reduced their staff through layoffs or furloughs.</td></tr>
<tr><td>Eligible Applicants</td><td>Any public or private entity, including all 501(c) non-profit organizations, that can demonstrate as applicable:

• Legal registration to do business in New Jersey, as evidenced by a NJ Business Registration Certificate
• Good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor; and
• A tax clearance certificate from the New Jersey Division of Taxation, prior to execution of grant agreement.
• Must be able to demonstrate capacity to bulk purchase meals, as evidenced by purchases of a minimum of 3,000 meals and $50,000 during the time period of March 9, 2020 – date of program application launch (expected to be December 2020).
• Restaurants cannot apply directly for grants.
• Grant recipients are prohibited from reselling meals that are purchased using grant funding.

Grant applications must also demonstrate, as part of the grant application, the following requirements were met by restaurants from which the grant applicants will be bulk purchasing meals:

• Restaurant is classified as “Food Services and Drinking Places” under NAICS code 722
• 50 or less full-time equivalent employees at time of application, based on the company’s most recently filed WR-30 with NJDOL.
• Physical commercial location in New Jersey
• Legal registration to do business in New Jersey, as evidenced by a NJ Business Registration Certificate
• Good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor</td></tr>
</table>

Sustain and Serve NJ **Proposed Program Specifications**	
	• If the restaurant is regulated by the Division of Alcoholic Beverage Control (ABC), then it must also be in good standing with ABC, with all decisions of good standing at the discretion of the ABC. • Current and valid certification from municipal and/or county government inspection that the restaurant has received a rating of Satisfactory as per New Jersey Retail Food Establishment Rating system • Satisfaction of the requirement by the New Jersey Division of Taxation with regard to taxes, which may be through a tax clearance certification or verification from the Division of Taxation that the restaurant is in good standing and does not have tax debts due to the State • Attestation from the restaurant that they were in operation on February 15, 2020, and that they have been negatively impacted by the COVID-19 declared state of emergency on March 9, 2020 (e.g., was temporarily shut down, was forced to reduce hours, has had a drop in revenue, has been materially impacted by employees who cannot work due to the outbreak, or has a supply chain that has materially been disrupted and therefore slowed firm-level production). Grant applicants/recipients will be responsible for providing to the Authority any necessary supporting information and documentation from on behalf of the restaurants to verify eligibility – whether that be as part of the application process, prior to grant agreement, or following execution of a grant agreement as part of an audit the Authority, U.S. Treasury, or any other relevant State or federal entity reserves the right to may conduct against the certifications provided at application. Prohibited businesses include, but are not limited to: gambling or gaming activities; the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes.

<table>
<tr><th colspan="2">Sustain and Serve NJ
Proposed Program Specifications</th></tr>
<tr><td>Eligible Uses</td><td>Grant funding can only be used for direct costs associated with bulk purchasing of meals that are projected to be incurred between date of grant execution – April 30, 2021. These direct costs include:

• Cost of food and ingredients
• Costs incurred by the restaurant for labor, packaging, and facilities
• Any profit margin for the restaurant

No other expense incurred by the applicant, whether in support of the meal purchase from the restaurant or otherwise, is eligible. This includes, but is not limited to: indirect/overhead costs incurred by the applicant (e.g. rent, insurance), transportation, distribution, marketing, communications, sales tax and gratuity.</td></tr>
<tr><td>Application Process and Board Approval/ Delegated Authority</td><td>• Online application. Applications will be accepted during a defined application period, and all applications will be reviewed following the closure of the application period.

• Delegation to Authority staff (any Managing Director or Senior/Executive Vice President), upon recommendation of the reviewing officer, to approve individual applications to the Sustain and Serve NJ Program, and because the specifications are streamlined and will result in non-discretionary decisions, the delegated authority requested includes the authority to decline and issue final administrative decisions

• Businesses whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 3 days but no longer than 10 days). The CEO or any Senior/Executive Vice President will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will prepare a recommended decision, which must be approved, and a Final Administration Decision issued, a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer.</td></tr>
</table>

Sustain and Serve NJ **Proposed Program Specifications**	
	• Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept reimbursement of the Authority funding for this program from any available governmental (Federal, State or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program. • Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept unencumbered gifts for the purposes of expanding the funding pool of the Sustain and Serve NJ program.
Grant Amounts	• Minimum Grant Amount: $100,000 • Specific grant awards to be calculated based on the projected number of meals to be purchased and estimated cost (per meal), excluding sales tax and gratuity. All meal purchases must be based on and supported by a flat rate per meal. • While there is no exclusion for entities purchasing meals at more than $10/meal, grant funding will be capped at $10/meal. • Once the Authority receives all applications, if the total amount grant funding requested among all eligible applications exceeds the $2 million available for this program, the Authority will prorate grant awards based upon the amount determined by staff for each eligible applicant, reducing all grant awards to reflect an eligible applicant's share of the eligible pool.
Funding Disbursement	• The total grant award will be disbursed incrementally as eligible projected expenses are incurred and disbursement is requested from the Authority by the grantee. • These disbursement requests must be evidenced by documentation supporting that the expenses were actually incurred and consistent with eligible uses of grant funding (i.e. the quantity of meals purchased, the cost per meal, and the restaurant from which the meals were purchased).

Sustain and Serve NJ **Proposed Program Specifications**	
Fees	• Due to the financial hardship experienced by restaurants, there will be no fees associated with the Sustain and Serve NJ Program.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: Adjustments to Delegations of Authority for COVID19 Programs

Summary

The Members are asked to approve the following adjustments to Board-approved COVID19 programs:

1. Modifying the delegated authority approved on October 14, 2020 to increase the amount of additional funds the Chief Executive Officer can accept for Phase 3 of the Small Business Emergency Assistance Grant Program from the Coronavirus Relief Fund from up to $100 million to up to $200 million; new delegated authority to allow the Chief Executive Officer to reserve funds from any new amounts accepted for Phase 3 for specific categories (e.g., restaurants, micro-businesses, and businesses in census tracts that were eligible to be designated as Opportunity Zones); and new delegated authority to the Chief Executive Officer to execute an amendment to the Memorandum of Understanding with the NJ Department of the Treasury (as previously amended) whereby funds received for Phase 2 of the Small Business Emergency Assistance Grant Program will be reallocated to Phase 3; and

2. Modifying the delegated authority for the Small Business Emergency Assistance Grant and the Small Business Emergency Assistance Loan Programs to permit additional staff to hear and decide appeals from declinations based solely on non-discretionary reasons (superseding all prior delegations relating to appeals). The Chief Executive Officer or a Senior Vice President will designate one or more Hearing Officers to draft final administrative decisions and the draft final administrative decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, Senior Legislative Officer or Regulatory Officer.

Background

Since March 2020, the Members of the Board have approved various COVID19 programs. Some of those programs were funded using moneys from the Coronavirus Relief Fund (CRF) established under the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act), including the Small Business Emergency Assistance Grant Program. For each tranche of CRF funding, the Authority has executed a Memorandum of Understanding (MOU) with the NJ Department of the Treasury (Treasury). In each MOU, Treasury has agreed to provide the funding and the Authority has agreed to administer the funding in accordance with the MOU and applicable legal requirements.

On May 22, 2020, the Members approved delegated authority for the Chief Executive Officer to execute an MOU with Treasury whereby the EDA accepted $51 million in CRF funding. The Members also approved the creation of Phase 2 of the Small Business Emergency Assistance Grant Program. On August 11, 2020, the Members approved an amendment to the MOU with Treasury whereby the EDA accepted an additional $15.3 Million in CRF funding to be used to further capitalize Phase 2 of the Small Business Emergency Assistance Grant Program and cover administrative costs associated therewith. Staff anticipate that after funding all eligible applications for Phase 2 grants, approximately $10 million in funding will remain.

On October 14, 2020, the Members approved the creation of Phase 3 of the Small Business Emergency Assistance Grant Program using CRF funding. Among other things, the Members approved a Memorandum of Understanding with the New Jersey Department of the Treasury whereby the Authority accepted $70 million in funds from the CRF plus $3.5 million in administrative costs and agreed to comply with federal requirements for the use of those funds. Additionally, the Members delegated authority to the Chief Executive Officer to accept up to $100 million in total.

To ensure funds flow to businesses that need them most, funds for Phase 3 grants were reserved for restaurants, micro-businesses, and businesses in census tracts that were eligible to be designated as Opportunity Zones. $35 million of funding was dedicated to support businesses classified as “Food Services and Drinking Places” under NAICS code 722 and $15 million was directed to support “micro-businesses” that have five or fewer FTEs. The remaining $20 million was available to support any eligible business. Applications for Phase 3 opened on October 29, 2020. By the time the application closed on November 9th, the Authority had received a total of 21,991 applications: 14,412 from microbusinesses, 4,125 from restaurants and 3,454 from other small businesses. Based on the average grant size, the number of microbusiness applications exceeded the amount of funding reserved for microbusiness nearly threefold. Restaurants and other small businesses were also oversubscribed.

Once the existing grant applications are processed, it is anticipated that there will be insufficient money to fully fund all of the eligible applications for Grant Phase 3. Because the deadline for expending all CRF funding is fast approaching, the Members are asked to approve delegated authority to the Chief Executive Officer to execute an amendment to the MOU with Treasury (as previously amended) whereby funds received for Phase 2 of the Small Business Emergency Assistance Grant Program will be reallocated to Phase 3. The Members are also asked to approve delegated authority to permit the Chief Executive Officer to accept additional funding (through an amendment to the MOU with the Department of the Treasury) in the event that such funding becomes available ***and*** the Authority will have the ability to disburse the additional funds prior to applicable deadlines. Like prior MOUs, any MOU amendment will require the Authority to comply with applicable federal requirements and will enable Treasury to claw back any funds the use of which are inconsistent with those federal requirements. They will also require the NJEDA to disburse funds prior to the CRF deadline (currently December 30, 2020), but will give the Treasurer the right to extend that date based on the Authority's reports showing that the Authority will be able to expend the funds by that deadline. The NJEDA will have to promptly return any and all funds not expended by the deadline specified in the applicable MOU or MOU amendment.

In order to meet applicable deadlines, staff also request modifications to the delegated authority to to hear and decide appeals from declinations based solely on non-discretionary reasons. To ensure efficient implementation of the programs, the Members approved delegated authority for approvals, non-discretionary declinations, and final administrative decisions for appeals based on solely non-discretionary declinations. For Phase 2 of the Small Business Emergency Assistance Grant Program, the existing delegation of authority requires a Senior Vice President to designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer prepares a final administrative decision, which then must be approved by a Senior Vice President, Vice President, Managing Director or the Director Legal Affairs. The Authority has received over 2,000 appeals in connection with the he Small Business Emergency Assistance Grant Program.

For Phase 1 of the Small Business Emergency Assistance Loan Program, the existing delegation of authority follows a similar process but requires a Hearing Officer's Final Administrative Decision be approved by a Senior Vice President, Vice President, Managing Director, Director – HUD Programs, or the Director of Legal Affairs. The Authority has received 57 appeals.

As noted above, the Authority's Memorandum of Understanding with the Department of the Treasury requires the Authority to disburse all funds prior to December 1, 2020. Although the MOU allows the Treasurer to extend the disbursement date, to ensure compliance with the CARES Act and U.S. Department of the Treasury requirements, all funds must be expended no later than December 30, 2020. Given the fast approaching deadline for disbursing the funds, additional delegated authority is needed to ensure the appeals are timely resolved.

In light of the potential volume of approvals, declinations, and appeals the Authority has received and is anticipating receiving, staff requests delegated authority for additional staff members to approve final administrative decisions, so that the Authority will have greater capacity to support the declination and appeals processes. Unlike some of the Authority's other programs, these COVID19 programs are relatively small in size. For the grant programs, the maximum award amount is only $20,000; for the Loan Programs, the maximum loan amount is $100,000. Although loan amounts are larger than the grants, the final administrative decisions are still based on non-discretionary reasons so the review is fairly straight forward.

Therefore, the Members are requested to approve changes to delegated authority for the Small Business Emergency Assistance Grant and the Small Business Emergency Assistance Loan

Programs which will provide additional staff the authority to approve final administrative decisions when an applicant appeals a declination for solely non-discretionary reasons.

Recommendation

The Members are asked to approve the following adjustments to Board-approved COVID programs:

1. Modifying the delegated authority approved on October 14, 2020 to increase the amount of additional funds the Chief Executive Officer can accept for Phase 3 of the Small Business Emergency Assistance Grant Program from the Coronavirus Relief Fund from up to $100 million to up to $200 million; and new delegated authority to allow the Chief Executive Officer to reserve funds from any new amounts accepted for Phase 3 for specific categories (e.g., restaurants, micro-businesses, and businesses in census tracts that were eligible to be designated as Opportunity Zones); new delegated authority to the Chief Executive Officer to execute an amendment to the Memorandum of Understanding with the NJ Department of the Treasury (as previously amended) whereby funds received for Phase 2 of the Small Business Emergency Assistance Grant Program will be reallocated to Phase 3; and

2. Modifying the delegated authority for the Small Business Emergency Assistance Grant and the Small Business Emergency Assistance Loan Programs to permit additional staff to hear and decide appeals from declinations based solely on non-discretionary reasons (superseding all prior delegations relating to appeals). The Chief Executive Officer or a Senior Vice President will designate one or more Hearing Officers to draft final administrative decisions and the draft final administrative decision must be approved by a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, Senior Legislative Officer or Regulatory Officer.

Tim Sullivan
Chief Executive Officer

Prepared by: Christine Baker

AUTHORITY MATTERS

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: 2019 Comprehensive Annual Report

Summary

The Members of the Board are requested to approve the Authority's comprehensive annual report for 2019, as required under Executive Order No. 37 (2006).

Background

Each year since inception, the Authority designs and distributes our Annual Report of accomplishments and activities to support economic development in New Jersey. Beginning in 2006, in order to meet the requirements of Executive Order No. 37 (2006), our Annual Report is combined with our audited financial statements and serves as our comprehensive annual report.

The audited financial statements for the year ending December 31, 2019 were prepared pursuant to Generally Accepted Accounting Principles for a government entity. I am also pleased to inform the Board that the independent accounting firm of Ernst & Young has issued an unmodified opinion with regard to the 2019 financial statements. Certification accompanying the financial statements has been executed by the Controller and me, the CEO, that the EDA has followed its standards, procedures, and internal controls.

On November 6, 2020, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the 2019 audited financial statements, and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies.

Subsequent to the meetings and review, the Committee recommended that the comprehensive Annual Report be presented to the Board for approval.

Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Authorities' Unit, posted to the EDA website, and transmitted electronically to members of the Legislature.

Recommendation:

Authority staff has prepared the comprehensive annual report for 2019 as required under Executive Order No. 37 (2006) and recommends Members' approval in order to submit the report to the Governor's Authorities' Unit, post to the Authority's website, and transmit to the Legislature.

Tim Sullivan
Chief Executive Officer

NJEDA

ECONOMIC DEVELOPMENT AUTHORITY

Annual Report 2019

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MESSAGE FROM CHAIRMAN KEVIN A. QUINN

October 2020

From the day I accepted Governor Murphy's appointment to serve as Chairman of the New Jersey Economic Development Authority (NJEDA) Board of Directors, I have been dedicated to collaborating with the rest of the Board, Chief Executive Officer Tim Sullivan, and the NJEDA staff to ensure the Authority fulfills its role as a responsible and accountable steward of taxpayer dollars.

Over the past year, I have been consistently impressed by the Board and staff's dedication to supporting New Jersey workers, businesses, and communities. The transformation of the NJEDA into a comprehensive economic development agency that began in 2018 continued and bore fruit in 2019. We are always looking for opportunities to better serve New Jersey, but the steps we have taken and the progress we have made toward a stronger, fairer New Jersey economy is undeniable.

Throughout 2019, the NJEDA faced scrutiny from the Office of the State Comptroller, the Legislature, and the public. This process was important, and made the Authority stronger and better prepared to serve the people of New Jersey with integrity, transparency, and accountability.

Now New Jersey faces a new challenge. COVID-19 has upended our lives and wrought health and economic devastation throughout the State. Yet no matter how difficult this challenge is, New Jersey will recover. We are fortunate to have strong, levelheaded leadership at the State level, and the NJEDA is committed to supporting our businesses and workers, starting with the most vulnerable.

I am thankful Governor Murphy gave me the opportunity to lead the NJEDA and I am immensely grateful for the hard work, compassion, and dedication to service that my fellow Board members and the Authority staff show every day. This is what gives me hope for New Jersey's recovery from the health and economic nightmare COVID-19 has imposed on us all.

Kevin A. Quinn
NJEDA Chairman

MESSAGE FROM NJEDA CEO TIM SULLIVAN

October 2020

In 2019, the New Jersey Economic Development Authority (NJEDA) took important strides toward our goal of building a stronger, fairer New Jersey economy. In response to reports by Governor Murphy's Task Force, the Senate Select Committee, and our own internal analyses, we implemented a suite of internal reforms to ensure transparency, accountability, and fairness across our programs. At the same time, we expanded the scope of programs and services we offer to provide more robust, accessible support for communities, businesses, and entrepreneurs throughout the state.

Now we face a new challenge. The outbreak of the novel coronavirus COVID-19 has cast New Jersey and the rest of the world into unchartered territory. In addition to the massive public health threat the virus poses, we are also facing an unprecedented economic slowdown. The NJEDA is and will continue to be a central player in New Jersey's response, administering a suite of COVID-19 relief programs that includes grants for small businesses, zero-interest loans, support for private-sector lenders and CDFIs, funding for entrepreneurs, and technical support and marketplace information for businesses that have had to significantly change the way they operate.

Since the coronavirus arrived in New Jersey in early 2020, specific information about the NJEDA's response is not included in this Annual Report. Instead, this report focuses on our efforts throughout 2019 to build a strong, resilient New Jersey economy by supporting small businesses, providing resources and learning opportunities for communities, growing New Jersey's innovation ecosystem, and ensuring equitable access to opportunities for all of our diverse residents.

2019 saw the NJEDA double down on our commitment to supporting small and local businesses and greatly increase the resources and technical assistance we provide for local governments and other community leaders. We also rolled out new programs and formed new partnerships to grow New Jersey's innovation economy and took major steps to launch or grow new industries in the state such as offshore wind and online sports betting.

Through all this, we maintained our commitment to equitable, sustainable growth. We added new Board members who better reflect the diversity that makes New Jersey strong, and their perspective has been vital as we work with partners in government and industry to expand access to resources and opportunities for all New Jerseyans.

These efforts have allowed us to face the COVID-19 pandemic from a position of strength. This virus has affected all of us and it will take a long time to recover from this unprecedented crisis, but New Jerseyans are tough, and we will make it through this challenge.

I wish you and your loved ones health and safety during this challenging time and look forward to getting back to celebrating our shared successes soon.

Tim Sullivan
NJEDA Chief Executive Officer

INTRODUCTION

In 2019, the New Jersey Economic Development Authority (NJEDA) stepped more fully into its central role advancing Governor Phil Murphy's vision for a stronger, fairer New Jersey economy. The Authority implemented important internal reforms to ensure it fulfilled its responsibilities as a fair and transparent steward of taxpayer dollars and rolled out a variety of new and improved programs that further the Authority's mission to create a more sustainable, equitable economy that provides opportunities for all of New Jersey's residents.

One of the NJEDA's top priorities in 2019 was supporting of small and micro businesses, with a particular focus on leveling the playing field for minority, women, LGBTQ+, and veteran-owned businesses and businesses in communities that have historically suffered from disinvestment. To this end, the Authority created a new Small Business Services unit and implemented a variety of flexible financing options for New Jersey's smallest businesses and technical assistance programs to help business owners learn the skills they needed to grow their companies.

At the same time, the NJEDA worked with municipalities and community advocates to support investments in community-backed economic development projects. The Authority's Innovation and Opportunity Zone Challenges and partnerships to support brownfield remediation empowered local leaders and entrepreneurs to craft and execute plans to revitalize abandoned and underused properties into valuable community assets.

The NJEDA also continued its work to establish New Jersey as the State of Innovation. Initiatives such as the first ever Founders and Funders Diversity Round Table, a new Diversity and Inclusion criteria for the Authority's venture fund investment policy, and the Authority's partnership with Golden Seeds to support women-led startups all played a role in achieving Governor Murphy's goal of building the most diverse, inclusive innovation ecosystem in the country.

This report discusses the impact of these initiatives and many other programs the NJEDA launched or expanded during 2019. As New Jersey faces the challenges associated with the COVID-19 pandemic, it is valuable to keep in mind the progress the state has made toward a more resilient, fairer economy and to review past programs' successes and pitfalls to identify the most effective path forward.

2019 NJEDA ACTIVITY

Below is a summary of activity in Calendar Year 2019, reflecting:

- **Non-incentives activity** - Defined as financing projects that have closed, as well as other assistance that has been provided through additional, non-incentive programs.

2019 Non-incentives activity includes the following programs:

- Direct Loan
- Energy Resilience Bank
- GSGZ Business Improvement Incentive
- Hazardous Discharge Site Remediation Fund
- NCR Streetscape
- NJ CoVest Loan
- NJ Ignite Grant
- Opportunity Zone Challenge
- Small Business Bonding Readiness Assistance Program
- Small Business Fund
- Small Business Lease Assistance Program
- Stand Alone Bond
- Statewide Loan Pool
- Stronger New Jersey Business Loan

Incentives Activity - Incentive projects that have been approved in calendar year 2019 and are pending certification. For Grow NJ, ERG and the Film Tax Credit Program specifically, this represents a preliminary approval of tax credits only, as any approved project must certify completion of the project and any associated job creation/retention and/or capital investment before tax credits are issued. For information on projects that have received an issuance of tax credits in CY2019, please see the 2019 Incentives Issuance Report available as an appendix to this report.

2019 Incentives activity includes the following programs:

- Grow NJ (EOA) – Companies Approved in CY2019
- Economic Redevelopment and Growth (EOA ERG) Program - Commercial - Projects Approved in CY2019
- Film Tax Credit Program – Projects Approved in CY2019
- Economic Redevelopment and Growth (EOA ERG) Program - Residential / Mixed-Use - Projects Approved in CY2019
- Angel Investor Tax Credit – Angel Investments Approved for Tax Credits
- Technology Business Tax Certificate Transfer (NOL) Program – Companies Approved to sell Net-Operating Losses

CY 2019 Non-Incentives Activity	
Projects / Companies Assisted	150
NJEDA Assistance	$246.2 million
Estimated New Jobs	941

CY 2019 Incentives Activity	
Projects / Companies Assisted	233
NJEDA Assistance	$249.1 million
Estimated New Jobs	1,347

A detailed list of these projects can be found on the EDA Project List (Pages 58-64).

In addition to the summary listed above and corresponding project list, additional information is available as appendices to this report. This includes incentive projects that have that have certified completion and received an issuance of tax credits or reimbursements in calendar year 2019, as well as additional programmatic annual activity reports that are statutorily required of the Authority.

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SUPPORTING SMALL BUSINESSES

SUPPORTING SMALL BUSINESSES

Small businesses are a cornerstone of New Jersey's economy that make communities vibrant and unique. Even before the COVID-19 pandemic, the NJEDA was committed to supporting these businesses, with a focus on assisting historically underrepresented businesses, including women, minority, veteran, disabled, and LGBTQ-owned enterprises. In 2019 the Authority rolled out a variety of new programs aimed at supporting small business owners and built on past successes.

To coordinate this work and ensure a consistent dialogue with and appropriate support for small businesses, the NJEDA created a new **Small Business Services** unit to provide financial, workforce, and technical support to New Jersey's small business community. Through conversations with business owners and community leaders, this unit discovered businesses' most pressing needs were access to capital and transparent, understandable information about industry trends and business best practices.

Financial Support

To address small businesses' capital needs, the NJEDA launched and expanded a variety of programs aimed at providing low-cost financing to businesses that may not have access to traditional bank financing. To support storefront businesses, the NJEDA launched the **Small Business Lease Assistance Program**, which reimburses businesses and nonprofit organizations 15 percent of their annual lease payments for two years when they rent first-floor office, industrial, or retail spaces.

The Authority also launched two pilot programs: **Access**, which provides flexible financing that placed a greater emphasis on borrowers' cash flows than hard collateral, and the **Micro Business Loan Program,** which supports early-stage small businesses with fewer than 10 employees. The NJEDA recently expanded the Micro Business Loan Program to provide larger, partially-forgivable loans to businesses struggling to overcome challenges associated with the COVID-19 pandemic.

In addition to these programs, which provide financing directly to small businesses, the NJEDA also partnered with Community Development Financial Institutions (CDFIs) and traditional banks to support their loans to small businesses. The **CDFI Initiative** made $15 million available to CDFIs to provide support for small businesses in historically disadvantaged communities and the improved **Premier Lender Program** increased the number of small business loans the NJEDA supported, allowing banks to finance a larger and more diverse range of companies.

Educational Resources and Technical Assistance

To address business owners' informational and technical assistance needs, the NJEDA partnered with the New Jersey Business Action Center and the Office of Innovation to create the **Business First Stop** (**business.nj.gov**), a website that brings together all State information on launching, operating, and growing a business in one centralized location.

The Authority also partnered with the African American Chamber of Commerce of New Jersey (AACCNJ) to administer the **Small Business Bonding Readiness Assistance Program**, which provides free training and mentorship for small business owners. At the end of the program, participating businesses are able to get bonded and compete for State contracts. Just a few months after graduating in June 2019, members of the first class had already qualified for more than $5 million in surety bonding and were better positioned to bid on public contracts.

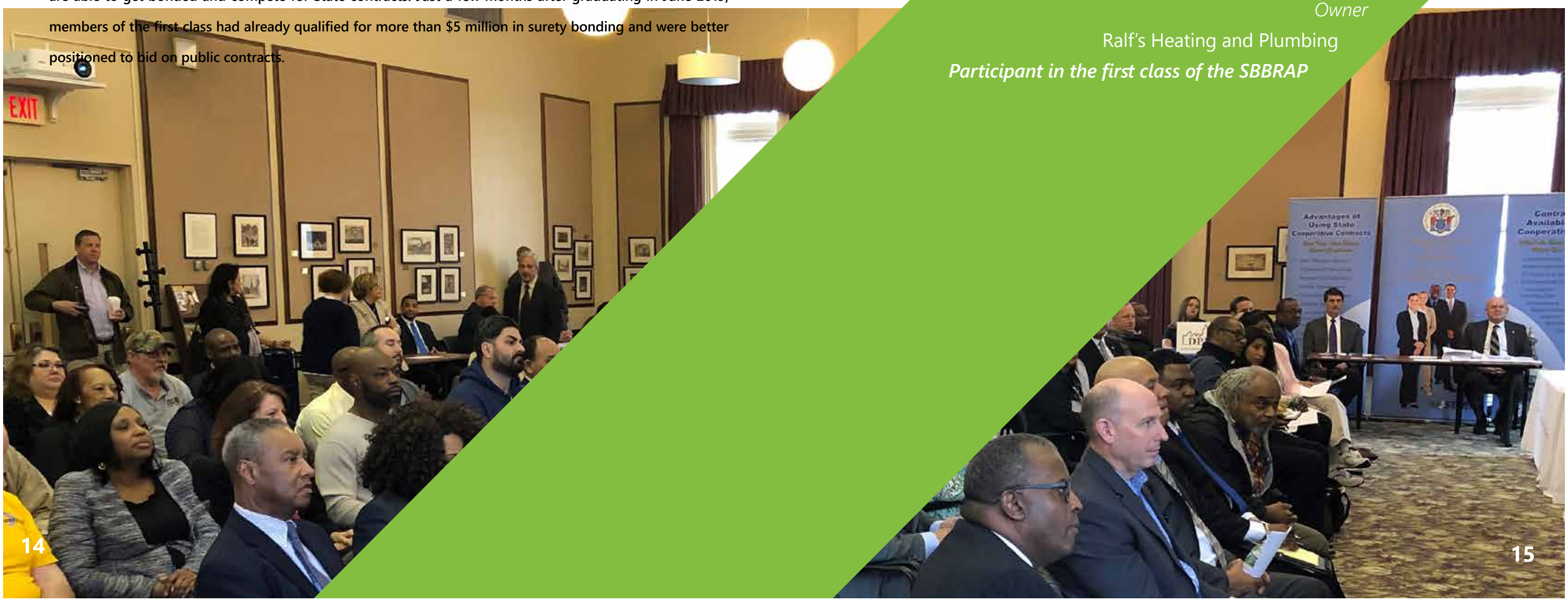
"The credentials we gained from the Small Business Bonding Readiness Assistance program have enhanced our credibility and confidence among potential customers that may not have given us a second look before."

– Franchesca Abed

Owner

Ralf's Heating and Plumbing

Participant in the first class of the SBBRAP



GROWING NEW JERSEY’S INNOVATION ECONOMY

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GROWING NEW JERSEY'S INNOVATION ECONOMY

The Garden State has a long history as home to many of the world's greatest technological inventions and pharmaceutical discoveries of the 20th century. Yet, as we have moved into the 21st century, the state found itself underperforming relative to its peers. That is why, as part of his economic plan entitled "State of Innovation: Building a Stronger New Jersey Economy," Governor Murphy laid out a bold vision for recapturing New Jersey's role as a leader in innovation and creating the most diverse and inclusive innovation ecosystem in the nation. This starts with developing high-wage, high growth jobs in a variety of innovation-focused sectors, including offshore wind, technology, life sciences, clean energy, transportation and logistics, advanced manufacturing, food and beverage (non-retail), and finance and professional services.

Throughout 2019, the NJEDA created and administered numerous initiatives to further that vision and the Authority's Office of Economic Transformation (OET) played a central role in fostering opportunities for entrepreneurs throughout the state. OET was created in 2018 to accelerate the growth of the New Jersey's economy by developing and implementing programs that enhance the State's long-term economic competitiveness in the eight strategic sectors identified in the Governor's economic plan.

NEW JERSEY OFFSHORE WIND

Offshore Wind

2019 was a pivotal year for New Jersey's offshore wind industry. Governor Murphy considers offshore wind a "once-in-a-generation" opportunity for New Jersey's economy. Not only is it an integral part of the Governor's plan for 100 percent clean energy by 2050, offshore wind is also expected to generate thousands of jobs in the Garden State. The Governor has proposed an ambitious goal for New Jersey to achieve 3,500 megawatts of offshore wind energy by 2030.

The NJEDA, through the OET, worked closely with the Board of Public Utilities (NJBPU), the Department of Environmental Protection (NJDEP) and other agencies during 2019 to expand New Jersey's offshore wind industry with initiatives such as the Offshore Wind Tax Credit and the Offshore Wind Supply Chain Registry.

The Offshore Wind Tax Credit Program began accepting applications in January 2019. As a powerful financial tool designed to spur private capital investment and employment growth in major, land-based offshore wind industry projects, the program provides reimbursement for eligible capital investments in industry-specific facilities located in the seven southern counties of New Jersey - Burlington, Camden, Gloucester, Salem, Cumberland, Mercer, and Cape May. The program is carefully targeted to attract major projects that will spur job creation in the short term while paving the way for long-term economic growth by anchoring a broad offshore wind manufacturing supply chain in New Jersey. Total credits approved as part of the program are capped at $100 million and businesses must apply for the Offshore Wind Tax Credit Program by July 1, 2024 and satisfy the capital investment and employment conditions for award of the credits by July 1, 2027.

The NJEDA created the **Offshore Wind Supply Chain Registry** in partnership with the Business Network for Offshore Wind in April 2019. The free, online portal is a one-stop-shop for investors exploring offshore wind-related projects in the Garden State to find Jersey-based companies to partner with or purchase from. Businesses that have joined the registry run the gamut from construction / installation to subsea surveying, including engineering, installation, cable (including construction and cable protection), surveying, education and training, supply-chain logistics, and steel fabricators. Nearly 450 New Jersey companies, in 19 out of the state's 21 counties, are represented on the registry.

In June, the NJEDA applauded the NJBPU's selection of Ørsted A/S (Ørsted) for the state's offshore wind project. Ørsted plans to build 1,100 megawatts (MW) of offshore wind in federal waters. According to the NJBPU, the 1,100 MW of offshore wind is expected to power roughly 500,000 New Jersey homes and generate $1.17 billion in economic benefits, in addition to creating an estimated 15,000 jobs. Members of the OET team have begun working with the NJBPU and Ørsted as the clean energy company ramps up the project and begins hiring New Jersey workers.

Technology and Life Sciences

New Jersey's technology and life sciences sectors also saw significant growth in 2019. Developing and implementing ways to connect innovation-focused companies with access to capital took center stage for OET's Technology and Life Sciences team.

The NJEDA worked closely with innovation community leaders and New Jersey legislators in early 2019 to craft a bill expanding New Jersey's **Angel Investor Tax Credit Program**. The program offers a refundable tax credit against New Jersey corporation business or gross income tax for qualified investments in an emerging technology or life sciences business with a physical presence in New Jersey that conducts research, manufacturing, or technology commercialization in the state.

Under legislation signed by Governor Murphy enhancing the program, investors can now receive a 20 percent tax credit (up from 10 percent) on eligible investments. Building on the Governor's commitment to build the most diverse and inclusive innovation ecosystem in the nation, the program also includes an additional five percent bonus for investments made in a business located in a qualified opportunity zone, low-income community, or a business that is certified by the State as minority- or women-owned.

Two early-stage companies benefited from investments approved under the expanded Angel Investor Tax Credit Program, which took effect on January 1, 2020, in the first half of this year, and the NJEDA expects to approve many more investments through the program in the months ahead.

The NJEDA also partnered with New Jersey First Lady Tammy Murphy in 2019 to create a New Jersey Chapter of Golden Seeds to increase the availability of angel capital for women-led businesses and mentoring for women businesses leaders. Founded in 2005, Golden Seeds is an investment firm that pursues above-market returns through the empowerment of women entrepreneurs and the people who invest in them. The New Jersey Chapter of Golden Seeds fosters a strong, cohesive angel investing community in New Jersey by bringing members together to identify investment opportunities, conduct due diligence, and support companies in which they choose to invest. The partnership builds on the NJEDA's

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"By expanding the Angel Investor Tax Credit Program, New Jersey is acknowledging and mitigating the inherent risk that comes with investing in early stage companies, which often take a long time to reach profitability. This expansion will have a profound and lasting impact on the innovation community for years and decades to come."

Stephanie Caravela
Managing Director
Jumpstart NJ Angel Network

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long history of partnering with funding groups such as Jumpstart NJ Angel Network and Tech Launch to bring more capital to New Jersey's Innovation economy.

The NJEDA also connected entrepreneurs with capital through the Authority's existing programs, such as New Jersey Founders and Funders, the state's **Net Operating Loss (NOL) Program** and **NJ CoVest**. Nearly 60 entrepreneurs met one-on-one with angel and venture capital investors during the NJEDA's semi-annual New Jersey Founders and Funders events in 2019, during which they pitched their companies, and discussed strategy, business models, and potential funding. The events, held at 1776 at the Cherry Hill Mall and Princeton BioLabs outside of Princeton University, also presented a chance for the collaborative workspaces to showcase themselves to the innovation community. Since New Jersey Founders and Funders started in 2014, hundreds of emerging companies have participated in the events, with the majority of participants securing follow-up meetings with at least one investor.

Heralded as a lifeline for companies that have yet to reach profitability, New Jersey's NOL Program enables qualified New Jersey-based technology or biotechnology companies with fewer than 225 US employees to sell net operating losses and research and development (R&D) tax credits to unrelated profitable corporations for cash. The NJEDA approved 46 technology and life sciences companies to sell a combined $60 million in net operating losses and R&D tax credits last year. 2019 was the second year in a row that the program hit its $60 million cap.

The NJEDA continued to approve investments through its NJ Covest Fund in 2019. The Fund is designed to help emerging technology and life sciences companies bridge the funding gap between product development and commercialization and further the NJEDA's ability to support the businesses throughout their growth lifecycle. Technology and life sciences companies often use money received through NJ Covest to hire new employees, finance additional research and development, and obtain necessary regulatory approvals.

As robust as the NJEDA's offerings are for startups and other emerging companies focused on innovation, the Authority understands that there is, and will be, more that can be done to foster a diverse and inclusive innovation ecosystem.

"Since bringing Celsion here to tap into New Jersey's tremendous pharmaceutical talent, I have been impressed by the array of resources the State offers life sciences companies like ours. The non-dilutive funding we received through the NOL Program will allow us to continue to bring our groundbreaking products through clinical trials and eventually to the marketplace."

- Michael Tardugno

Chairman and CEO

Celsion

Women-owned and minority-owned businesses make up a disproportionately small percentage of emerging technology business, with estimates as low as one percent of funded emerging technology business owned by Black people and eight percent of funded emerging technology business owned by women.

The NJEDA is committed to changing this and took several steps in 2019 to further this goal. In September, the NJEDA approved adding a Diversity and Inclusion criteria to its venture fund investment policy to strengthen the process and create a fairer policy that aligns with the objective to support the innovation economy in New Jersey. The criterion is designed to recognize the deliberate efforts of investors who have institutionalized policies and practices to invest with high-caliber management teams with a consideration for diversity and inclusion, as a way to close the racial and gender wage and employment gaps.

New Jersey has a long and successful history of investing in early-stage New Jersey companies through its limited partnership in venture funds throughout the state. The result of this added criterion serves to support deployment of more venture capital from private sector investors into a more diverse set of companies growing in New Jersey while also strengthening New Jersey's innovation ecosystem.

Another step the NJEDA took to change this narrative was to host the first-ever New Jersey Founders and Funders Diversity Roundtable. The day-long event, held at the Rutgers Business School in Newark, convened public sector leaders, members of academia, investors, and entrepreneurs to discuss defining clear strategies to ensure equity in new and existing programs, initiatives, and policies, and the fair allocation, deployment, and tracking of capital provided to entrepreneurs of color. Participants also talked about other ways to support growing minority-owned firms.

In addition to capital, early-stage companies need affordable real estate where they can grow. As the State's principal agency for driving economic growth, NJEDA understands that startups often face challenges finding affordable lab and office space.

One way the Authority has addressed this challenge is through the creation of **NJ Ignite**, which provides rent support to startups moving into collaborative workspaces. This helps Garden State innovators preserve precious capital for product

development, connecting with investors, creating jobs, commercializing and marketing their products and services, and everything else it takes to successfully grow and prosper here.

Specifically, NJ Ignite provides up to nine months of rent support for startup technology and life sciences businesses that are moving to an approved collaborative workspace. As a means of fostering collaboration and networking among tenants and other entrepreneurs, the collaborative workspaces are required to host a minimum of eight innovation-ecosystem-building events per year, such as Meetups, guest speakers, and office hours with lawyers, accountants, consultants, or other business services professionals.

Many participating collaborative workspaces, including VentureLink, Rutgers EcoComplex, the Rutgers Food Innovation Center, and the South Jersey Technology Park at Rowan University, are affiliated with world-class New Jersey universities. Collaborative workspaces linked to higher-education connections can offer tenants access to university faculty and students and their research, development, and commercialization expertise. Often tenant companies end up hiring these same university students and graduates as interns or employees.

Medical device manufacturer Carbon 22 became the first startup to benefit from NJ Ignite when it moved into a creative 'flex' office space at Building 78 of Kearny Point in early 2019.

"Racial disparities among entrepreneurs are very real and all too frequent and it is impressive to see the Murphy administration addressing the critical issue of closing this divide"

-Jeffrey Robinson
Associate Professor and Academic Director
Rutgers' Center for Urban Entrepreneurship
and Economic Development (CUEED)

As of the end of 2019, 18 collaborative workspaces and five companies were approved to participate in the program.

One of the 18 workspaces approved to participate in NJ Ignite is the 46,000-square-foot **New Jersey Bioscience Center – Incubator**, which offers affordable lab and office space to its tenants. The incubator sits on the NJEDA's 50-acre research park in central New Jersey. In the summer of 2019, the NJEDA re-branded the park from the Technology Centre of New Jersey to the New Jersey Bioscience Center (NJBC) – North Brunswick to more accurately reflects the park's life sciences focus and the spectrum of companies located there.

The New Jersey Bioscience Center is strategically situated in the heart of the state's research corridor between Rutgers and Princeton universities. In addition to lab and office space at the Incubator, the New Jersey Bioscience Center campus also offers post-incubator and independent research and development (R&D) space to support the needs of entrepreneurial startups and rapidly-growing life sciences R&D companies, while build-to-suit lab and office sites accommodate larger, more established biopharmaceutical businesses seeking to benefit from the research park's prime location.

Clean Energy

With an eye toward fulfilling his promise to help New Jersey combat climate change, Governor Murphy announced in June 2019 that the Garden State would rejoin the Regional Greenhouse Gas Initiative (RGGI), eight years after the state withdrew from the market-based carbon dioxide emissions cap and trade program. The NJEDA worked with its partners at NJDEP and NJBPU to educate the public about RGGI and solicit feedback from New Jersey communities on how best to spend the funds generated through the program. In mid-2020, the three agencies unveiled the RGGI Strategic Funding Plan, outlining how the state will utilize the auction proceeds between 2020 and 2022. The plan centers around four initiatives: catalyzing clean, equitable transportation, promoting blue carbon in coastal habitats; enhancing forests and urban forests; and creating a New Jersey Green Bank.

Commission on Science, Innovation and Technology

Members of the OET team also worked closely with the **New Jersey Commission on Science, Innovation and Technology** (CSIT) to further innovation in the Garden State. Governor Murphy and the Legislature re-established CSIT in August 2018. The Commission is responsible for strengthening the innovation economy within the state, encouraging collaboration and connectivity between industry and academia, and the translation of innovations into successful high-growth businesses. CSIT members include business leaders, university leaders, and scientists, along with representatives of the NJEDA, the Secretary of Higher Education, the Commissioner of Education, and members of the state Legislature. At the end of 2019, the Commission selected Judith Sheft as its Executive Director. Sheft brings nearly two decades of expertise in New Jersey's innovation ecosystem to her new position. She spent the past 18 years as an Associate Vice President at NJIT.

"New Jersey already has the resources necessary to restore its innovation ecosystem to preeminence, including globally-recognized academic institutions and a highly talented workforce. I am honored to accept the Executive Director position and am excited to work with the Commission members and our partners throughout the Garden State to ensure that entrepreneurs worldwide know all that the state has to offer."

- Judith Sheft
Executive Director
CSIT

Advanced Manufacturing

Advanced manufacturing was another focal point for OET during 2019. New Jersey's manufacturing industry produces more than $31 billion in economic output every year and employs more than 160,000 New Jersey workers. There is a large push within the industry to cultivate the next generation of advanced manufacturing workers, and the NJEDA worked with Ocean County Vocational Technical School (OCVTS) to expose school-age students to the sector.

In June, 2019, more than a dozen high school students had a chance to learn first-hand about career opportunities in New Jersey's advanced manufacturing industry during the first in a series of free field trips to Ocean County manufacturing facilities through the initiative. The program is designed to increase awareness and interest in a growing sector contending with a lack of young, qualified workers while educating New Jersey students about the various career paths available in advanced manufacturing. Through the program, students from varied socio-economic backgrounds had the opportunity to attend the field trips, especially students from Ocean County municipalities that are designated as Opportunity Zones under the federal Opportunity Zone program.

> **"We chose to base our operations in the Garden State because of its strategic location at the center of the Northeast Corridor, its proximity and easy access to ports throughout the region, its first-rate infrastructure, and its dynamic workforce within the state."**
>
> **- Balram "Chris" Lall**
> *Founder*
> Shawnee Trucking

Transportation and Logistics; Food and Beverage; and Financial and Professional Services

OET staff also continued to set the foundation in 2019 for the other sectors highlighted in Governor Murphy's economic plan to flourish: transportation and logistics, food and beverage (non-retail), and finance and professional services.

The transportation and logistics sector is a major contributor to New Jersey's economy, accounting for close to 200,000 private sector jobs and bringing $23 billion into the state. Under Governor Murphy's leadership, the NJEDA is working with its partners in the industry to establish New Jersey as the nation's pre-eminent transport technology hub.

New Jersey is home to the headquarters or major manufacturing or distribution operations of many of the world's largest food companies. Additionally, the Garden State boasts eight food-focused incubators, including NJ Ignite participant Rutgers Food Innovation Center (FIC). For nearly two decades, entrepreneurs developing plant-based meat alternatives, gluten-free breads, functional beverages, and many ethnic specialties have leveraged resources at FIC's Bridgeton and Piscataway locations. A 150-mile radius that a food company in central New Jersey has the potential to reach 38 million consumers.

The Garden State is also an ideal location for financial services companies. In addition to its close proximity to New York City's financial markets, New Jersey also offers these businesses a highly-talented workforce. More than 11,000 businesses within the financial and insurance sectors are in New Jersey and employ more than 179,000 people statewide. Four of the world's top 100 financial technology companies are headquartered in New Jersey.

New Jersey Film and Digital Media Tax Credit

As New Jersey continues to market itself on the global stage, the **New Jersey Film and Digital Media Tax Credit**, which was introduced in 2019, continued to be a selling point for production companies considering filming their movies and television shows in the Garden State. This program provides tax credits based upon a percentage of film or digital media costs incurred in New Jersey. New Jersey has a rich history as the birthplace of the film industry and unrivaled diversity in both geography and people. Those advantages, coupled with this incentive, are already attracting major television and motion picture production to New Jersey that will lead to new jobs, promote diversity and inclusion, and generate economic activity in communities throughout New Jersey. In 2019, the NJEDA approved 15 projects for a total of $48.1 million. High-profile projects approved through the program included "JOKER," which was filmed in Newark, and the Steven Spielberg-directed adaptation of "West Side Story," which was filmed in Paterson.

DRIVING EQUITABLE, INCLUSIVE ECONOMIC DEVELOPMENT

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The NJEDA deepened its commitment to investing in communities during 2019 with new and expanded programs focused on helping communities grow their innovation ecosystems, revitalize brownfield sites, and effectively use the Opportunity Zones program to drive investment in community-led initiatives.

Innovation Challenge

In 2019, the Authority awarded $1.4 million in grants to 14 communities around the state through the **Innovation Challenge** program, which helps communities prepare to participate in New Jersey's quickly growing innovation economy. These grants to municipal and county governments support planning for and key investments in projects that will expand these communities' innovation ecosystems and create new opportunities for established businesses and workers.

"Investing in communities is one of Governor Murphy's top economic development priorities. Encouraging municipalities and counties to partner with public and private entities will lead to an inclusive, sustainable culture of entrepreneurship and innovation. We look forward to working with the Innovation Challenge winners to turn their visions into reality."

– Tim Sullivan
CEO
NJEDA

2019 Innovation Challenge Winners:

- **Bridgeton:** Bridgeton sought to develop a national model for innovation and emerging technology for the food sector by establishing a technology hub for the food industry cluster in Bridgeton. The municipality's plan called for creating a facility dedicated to development, testing, and training on the latest cutting-edge technology to make food production, processing, and packaging safer and more efficient.

- **New Brunswick:** The City of New Brunswick, together with its higher education partner and strategic partners, established the parameters of a project to address two significant issues as part of its overall Innovation Initiative: a project directed by the Center for Advanced Infrastructure & Technology (CAIT) at Rutgers University focused on improving mobility through universal connectivity and a prototype Lab of the Future for start-up companies that require the availability of flexible lab spaces.

- **Passaic County:** The County of Passaic, City of Paterson, and City of Passaic developed a needs assessment to determine the future of physical infrastructure and workforce/sector development strategy in the County's most distressed urban centers. The assessment analyzed and evaluated options to install a high-speed 5G fiber network in the commercial and industrial areas of Paterson and Passaic so they can better attract and support entrepreneurs and emerging sector employers.

- **Trenton:** The City of Trenton planned the Trenton Production and Knowledge Innovation Campus (TPKIC) in the city's creative, education, and transit district. As planned, the TPKIC will be a collaborative, research-driven incubator and maker's campus for existing and start-up businesses, local creators, students and faculty at partner colleges and universities, and Trenton Public Schools students and recent graduates.

- **Atlantic County:** The Atlantic County Government, in conjunction with the Atlantic County Economic Alliance, Atlantic Cape Community College, and the Atlantic County Improvement Authority, put forth a proposal to fund a Strategic Plan and Action Agenda for the location, design, and

development of the Atlantic County Aviation and Technical Academy. The plan suggested establishing the Academy close to the Atlantic City International Airport to address the growing workforce demands of the industry and leverage the potential for new business within the existing cluster of aviation and aeronautic industries in and around the Airport.

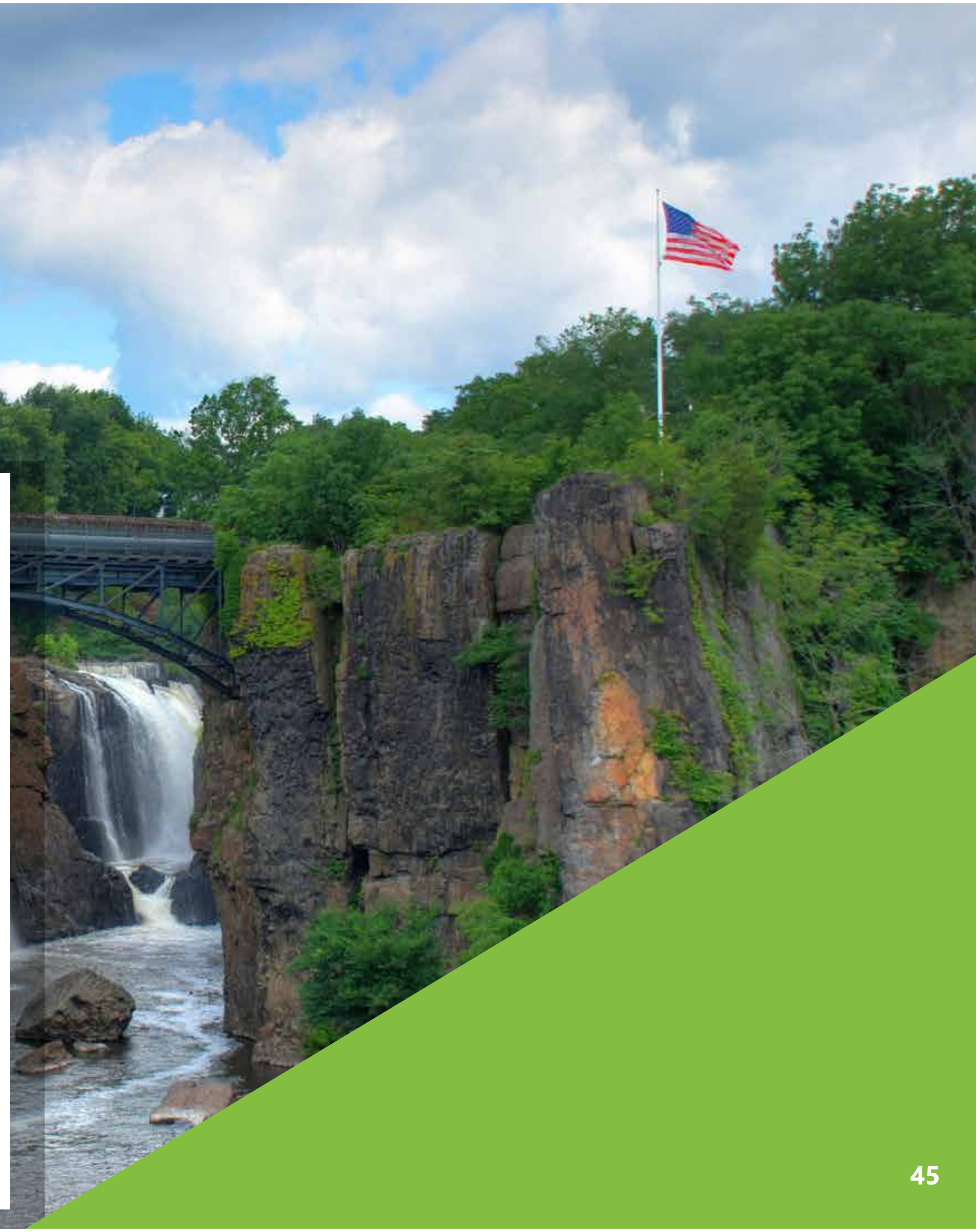
- **Atlantic City:** Atlantic City and Stockton University jointly proposed a Center for Marine & Environmental Science to be located in Atlantic City,. As planned, the Center will be a multi-story, multi-tenant building serving as the home for its Center for Marine and Coastal Sciences, office and lab space for the NJ Department of Environmental Protection, and a coastal resilience/Blue Economy Coastal Research Incubator that will synthesize a state agency/higher education partnership and catalyze new businesses and research as a result.

- **Camden County:** Working together with Rowan University's College of Engineering, Cooper's Ferry Partnership, Verizon, and Camden City, Camden County planned a holistic, integrated approach to improve downtown Camden's surface transportation performance and integrate this approach with other best practices involving public safety. Working with its public and private sector team members, Camden County addressed how emerging transportation data, technologies, and applications could be integrated with existing systems to address Camden's transportation challenges.

- **Union Township:** Union Township and its strategic partners developed a plan to expand within the current incubator housed at the Institute for Life Science Entrepreneurship (ILSE) at Kean University. ILSE operates an 8,000 square foot business incubator for startups and for companies relocating or expanding into New Jersey, provides business accelerator services, hosts industry events, and conducts R&D through its research unit.

- **Monmouth County:** Monmouth County crafted a plan to facilitate the growth of an emerging technology cluster at Fort Monmouth, which already includes three tech company headquarters with more than 1,000 employees.

- **Cape May County:** Cape May County officials and local partners proposed a project that will create an Entrepreneurial Resource Center to support economic development in and around designated Opportunity Zones. These plans helped to expand the breadth and depth of existing business support systems through the coordination of local assets to increase economic development within the county.



- **Hoboken:** Hoboken partnered with Stevens Institute of Technology, the Hoboken Public Library, and Propelify, LLC to launch a planning process for the creation of a co-working innovation center. The city anticipates that this innovation center will support the incubation of Smart City small businesses in northern New Jersey.

- **Newark:** The City of Newark proposed a plan for the expansion of its technology infrastructure and extension of existing fiber optic and wireless communication systems by providing street-level kiosks where residents can access the Internet. The city will partner with the New Jersey Institute of Technology, Invest Newark, and the New Jersey Innovation Institute.

- **Paterson:** The City of Paterson proposed plans to work with Montclair State University, William Paterson University – Small Business Development Center, and two long-term lessees at the Paterson Food Incubator to create a business strategy that involves consistent training resources and workforce development opportunities for tenants at the incubator.

- **Plainfield:** The City of Plainfield conducted a technology-needs assessment of the community's underutilized and vacant industrial and commercial properties. The assessment helped determine the feasibility of creating a network of commercial, industrial, and mixed-use corridors within the city.

Brownfields Remediation

While the Innovation Challenge looks to the future, the NJEDA's brownfields remediation efforts helps municipal and county governments revitalize properties that were active in the past but now sit vacant and polluted. The Authority collaborated with the New Jersey Department of Environmental Protection (NJDEP) to expand the **Community Collaborative Initiative (CCI)**, a program that embeds NJDEP staff in targeted cities to help coordinate remediation and redevelopment projects. In addition to the cities where CCI operated before 2019 – Bayonne, Camden, Perth Amboy and Trenton—the expanded initiative includes Bridgeton, Jersey City, Millville, Newark, Paterson, Paulsboro, Salem City, and Vineland.

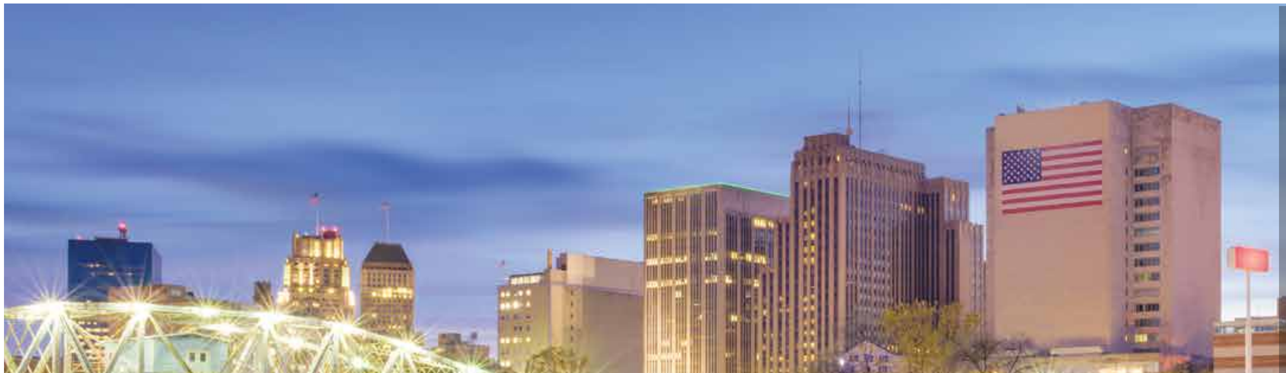
The NJEDA also partnered with the NJDEP and the New Jersey Board of Public Utilities (BPU) to draft the State's **Regional Greenhouse Gas Initiative (RGGI) Scoping Document** and host sessions to gather public feedback on how to most effectively use RGGI proceeds. The final document, released in April, outlines New Jersey's plans to invest an estimated $80 million each year in programs that reduce greenhouse gas emissions, drive forward projects that boost clean energy and create jobs, protect the health of residents in environmental justice communities, and increase the resiliency of coastal communities.

"The Community Collaborative Initiative exemplifies Governor Murphy's commitment to revitalizing New Jersey's communities in a way that puts environmental sustainability front and center and remains true to residents' priorities. The program has already been a tremendous success, with significant benefits for New Jersey's most vulnerable populations. We are excited to collaborate with the NJEDA to replicate this success around the state."

– Catherine R. McCabe

Commissioner

NJDEP



"We are thrilled to work with the NJEDA to establish the NJ Opportunity Zones Marketplace. We are particularly excited to see the NJEDA putting their support behind such a wide range of public and private sector project opportunities that will improve communities throughout the state. Fostering prosperity in cities and towns is why we launched OppSites in the first place and it is clear New Jersey's government shares our vision."

– Ian Ross
CEO and Co-Founder
OppSites

Opportunity Zones

The NJEDA worked with a coalition of State agencies to develop a nationally recognized suite of programs and tools to help communities most effectively use the Opportunity Zone tax program to drive meaningful, community-supported investment in areas that have suffered from disinvestment in the past. The Authority worked with Oppsites to develop and launch a cutting-edge **Opportunity Zone Marketplace** that provides an online portal where investors, businesses, and community leaders can connect to plan and execute projects in Opportunity Zone census tracts.

The NJEDA also awarded five $100,000 grants through its **Opportunity Zone Challenge**, a competitive grant program aimed at supporting municipal and county efforts to develop plans for and attract investments in Opportunity Zones.

2019 Opportunity Zone Challenge Winners:

Cumberland County: The Cumberland County plan is a combined marketing and regulatory reform initiative built around a microtargeting-driven marketing campaign focused on attracting Opportunity Zone investment, a county-specific Opportunity Zone website, and

stakeholder meetings. The plan also includes an in-depth analysis of areas in need of redevelopment and rehabilitation in Cumberland County Opportunity Zones as well as ideas for implementing policies that will support community-backed projects.

Hackensack: The Hackensack plan will facilitate the Hackensack Life Science Zone Assessment Report. This report will build on the Bergen Life Science and Technology report, which found that specific areas within the City of Hackensack's Opportunity Zones would serve as a feasible location for the construction of a life science park. Hackensack will partner with the Hackensack University Medical Center (HUMC) to further investigate these areas and determine whether they are suitable for the creation of the life science zone. Once this plan is complete, the City will have the information it needs to designate the tract as an area in need of redevelopment for life science purposes.

Flemington: The Flemington plan includes a series of charettes (in-depth community stakeholder meetings) to help create community participation in Opportunity Zone strategic

planning, a borough-wide examination of zoning to reduce regulatory hurdles and encourage development, and new project marketing plans designed to showcase Flemington's Opportunity Zone investment projects.

Paterson: Paterson plans to examine street-level zoning codes and regulations in each of the city's eight Opportunity Zones to ensure investors have the information they need to successfully guide a project to completion. The City will also develop a user-friendly catalogue of zoning codes and regulations and will update antiquated redevelopment plans in a way that capitalizes on the Opportunity Zone program.

Jersey City: The Jersey City plan consists of an in-depth, partner-oriented financial feasibility study that will lead to an investment prospectus to enhance the infrastructural and economic capacity of the two Opportunity Zones located in the Journal Square neighborhood, which is poised to be the Jersey City Cultural Arts District. The Jersey City Department of Planning will hire a consulting firm and work with identified strategic partners to conduct a financial feasibility study of Journal Square, which the project team will use to create a financial prospectus showcasing the advantages of investing in the Journal Square Opportunity Zones.

ACTING AS A RESPONSIBLE, EFFECTIVE STEWARD OF TAXPAYER DOLLARS

ACTING AS A RESPONSIBLE, EFFECTIVE STEWARD OF TAXPAYER DOLLARS

In 2019, the NJEDA implemented sweeping new policies in response to reports by Governor Murphy's Task Force, the Senate Select Committee, and the Authority's own internal analyses. These internal reforms will ensure transparency, accountability, and fairness across NJEDA programs immediately and going forward.

The new **Division of Compliance & Portfolio Management** is central to these efforts. In 2019, this new division implemented a new end-to-end Customer Relationship Management system to consolidate and better manage data, developed standard operating procedures for all elements of the incentive certification process, and created a new "Quality Control" function to ensure adherence to established processes and completeness of files. The division also spearheaded the development and implementation of new due diligence procedures, including direct communication between applicant company leadership and NJEDA senior management, site visits for all "alternative sites" in Grow NJ tax credit applications, and an updated CEO certification process that takes place immediately prior to board meetings to ensure the board members have the latest information when deciding whether to approve tax credits.

To ensure staff met these standards, the NJEDA developed standard operating procedures for all elements of application reviews and undertook comprehensive training to ensure staff understood and consistently applied these new tools and procedures. The Authority also developed a data-sharing partnership with the Department of Labor to facilitate reviews of companies' annual job reports, doubled the number of third-party compliance audits conducted on applications, and contracted with a consultant to provide enhanced background and legal due diligence reviews.

In addition to these reforms, the Authority created a new **Division of Strategic Initiatives & Operations** focused on ensuring the NJEDA meets and exceeds its obligations for transparency and accountability. During 2019, the division improved the NJEDA's processes related to responding to OPRA requests, enhanced the Authority's diversity and inclusion efforts, and oversaw a third-party study of Governance best practices that it is now implementing at the Authority.

While many of the procedural improvements the NJEDA implemented in 2019 relate to programs that have now expired, the Authority recognizes their value and plans to carry them forward to any new programs enacted by the Governor and Legislature.

NJEDA EXECUTIVE TEAM

Tim Sullivan
Chief Executive Officer

Jorge Santos
Chief of Staff

Christine Baker
Senior Vice President, Business Operations and Strategic Initiatives

Bruce Ciallella
Senior Vice President, Portfolio Management and Compliance and HUD Programs

Frederick J. Cole
Senior Vice President, Business Support

Tai Cooper
Senior Vice President, Policy & Communications

Lori Matheus
Senior Vice President, Finance and Development

Brian Sabina
Senior Vice President, Economic Transformation

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Partner, Genki Advisory LLC

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Marcia Marley
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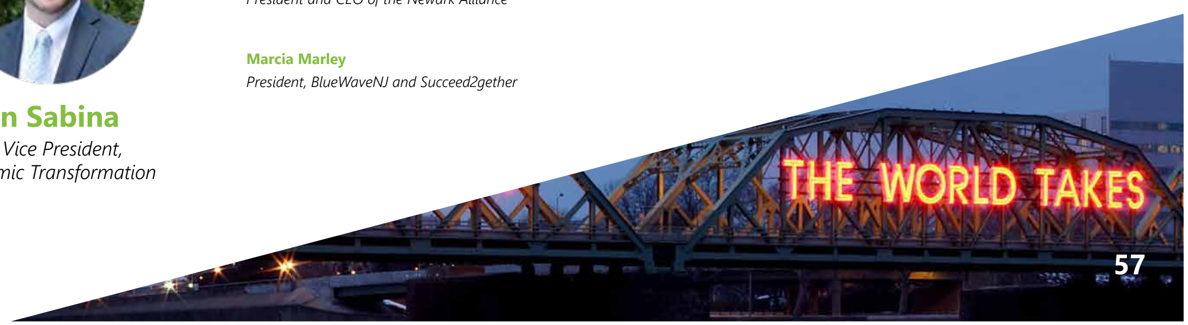
Marlene Caride
Commissioner - NJ Department of Banking & Insurance

Catherine McCabe
Commissioner - NJ Dept of Environmental Protection

Elizabeth Maher Muoio
State Treasurer, NJ Department of the Treasury



2019 COMPLETE PROJECT LIST

ATLANTIC COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
129 S Tenn Ave Liquor LLC	Atlantic City	Atlantic County	Commercial	9	GSGZ Business Improvement Incentive	$4,613
129 S Tenn Ave Liquor LLC	Atlantic City	Atlantic County	Commercial	10	GSGZ Business Improvement Incentive	$15,388
Atlantic City	Atlantic City	Atlantic County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$47,985
Atlantic City	Atlantic City	Atlantic County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$118,290
Black Horse EHT Urban Renewal LLC	Egg Harbor City	Atlantic County	Residential Health Care	95	Stand Alone Bond	$27,765,000
Cilo L.L.C.	Galloway	Atlantic County	Commercial	15	Small Business Fund	$252,000
Setaara LLC	Atlantic City	Atlantic County	Commercial	50	GSGZ Business Improvement Incentive	$20,000
The HKB Film Co. LLC	Atlantic City	Atlantic County	Film/Digital Media	0	Film Tax Credit Program	$77,397
Ventnor 3817 LLC	Atlantic City	Atlantic County	Office Facility	3	GSGZ Business Improvement Incentive	$6,088
9 PROJECTS				**182**		**$28,306,760**

BERGEN COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
Chestnut St Realty LLC	Norwood Borough	Bergen County	Commercial	8	Direct Loan	$1,000,000
Day 28 Films Liberty LLC	Ramsey Borough	Bergen County	Film/Digital Media	0	Film Tax Credit Program	$3,199,577
Eric Carrara	Allendale Borough	Bergen County	Technology/Life Sciences	0	Angel Investor Tax Credit	$12,000
Event Services, Inc.	East Rutherford	Bergen County	Film/Digital Media	0	Film Tax Credit Program	$2,849,160
Hackensack City	Hackensack City	Bergen County	N/A	0	Opportunity Zone Challenge	$100,000
InquisitHealth, Inc.	River Edge Borough	Bergen County	Technology/Life Sciences	32	NJ CoVest Loan	$250,000
James E. Malayter	Allendale Borough	Bergen County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
John Micera Revocable Living Trust	Allendale Borough	Bergen County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
Martin Reynolds	Allendale Borough	Bergen County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
Universal Television LLC	Rutherford Borough	Bergen County	Film/Digital Media	0	Film Tax Credit Program	$14,369,717
Wayne Sarkis Berberian	Allendale Borough	Bergen County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
William T Guthrie	Rutherford Borough	Bergen County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
12 PROJECTS				**40**		**$21,847,954**

BURLINGTON COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
Hainesport Township	Hainesport Township	Burlington County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$77,872
Mount Holly Township	Mount Holly Township	Burlington County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$80,215
2 PROJECTS				**0**		**$158,087**

CAMDEN COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
332 Haddon LLC	Haddon	Camden County	Services	4	Small Business Fund	$200,000
Camden County Council On Economic Opportunity, Inc	Camden City	Camden County	Office Facility	15	GSGZ Business Improvement Incentive	$12,398
Camden Lutheran Housing, Inc.	Camden City	Camden County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$66,325
Camden Redevelopment Agency	Camden City	Camden County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$883,447
Camden Sophisticated Sisters Drill Team	Camden City	Camden County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$98,344
Elwyn	Camden City	Camden County	Not for Profit	167	Grow NJ (EOA)	$39,582,000
FIRST COMMUNITY AGENCY LLC	Camden City	Camden County	Commercial	26	GSGZ Business Improvement Incentive	$20,000
Gary Neil Enterprises LLC	Blackwood	Camden County	Day Care	17	Statewide Loan Pool	$1,600,000
Mark Rosen and Eleanor Rosen	Glendora	Camden County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$20,681
Merchantville Borough	Merchantville Borough	Camden County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$46,962
National Park Borough	Gloucester Township	Camden County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$900,000
National Park Borough	Gloucester Township	Camden County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$264,516
Raffe Kesayan DBA Quality Cleaners	Camden City	Camden County	Commercial	3	GSGZ Business Improvement Incentive	$20,000
Wyatt's Torch Inc. TA Bell Pharmacy	Camden City	Camden County	Commercial	10	GSGZ Business Improvement Incentive	$20,000
14 PROJECTS				**242**		**$43,734,673**

CAPE MAY COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
County of Cape May	Wildwood City	Cape May County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$119,505
1 PROJECT				**0**		**$119,505**

CUMBERLAND COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
Cumberland County	Various	Cumberland County	N/A	0	Opportunity Zone Challenge	$100,000
First Class Uniform Inc. and Hayat Jalala	Vineland City	Cumberland County	Distribution	6	Small Business Fund	$280,000
Friends of Vineland Public Charter School Inc	Vineland City	Cumberland County	Not for Profit	5	Stand Alone Bond	$11,980,000
Kamela Kator	Vineland City	Cumberland County	Wholesale	10	Direct Loan	$180,000
Northeast Precast LLC	Millville City	Cumberland County	Manufacturing	2	Statewide Loan Pool	$1,000,000
Superior Ventures Limited Liability Co.	Millville City	Cumberland County	Manufacturing	0	Statewide Loan Pool	$1,000,000
6 PROJECTS				**23**		**$14,540,000**

ESSEX COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
124 Market ST LLC	Newark City	Essex County	Commercial	10	Statewide Loan Pool	$625,000
36-54 Rector Urban Renewal LLC (Newark City)	Newark City	Essex County	Commercial	20	Stand Alone Bond	$4,932,536
Andrew S Lerner	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Apollo Development & Land Corporation	Newark City	Essex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$345,000
Arete Productions LLC	Newark City	Essex County	Film/Digital Media	0	Film Tax Credit Program	$160,296
Barry A. Brooks	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
Belleville Township	Belleville Township	Essex County	Government Facility	0	NCR Streetscape	$1,500,000
Besa Movie LLC	Newark City	Essex County	Film/Digital Media	0	Film Tax Credit Program	$469,794
Brett Baris	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
Bruce A. MacFarlane	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Case Medical, Inc.	Bloomfield Township	Essex County	Manufacturing	75	Grow NJ (EOA)	$9,705,000
Dennis Carlson	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Highstep Properties, LLC	Fairfield Borough	Essex County	Technology/Life Sciences	5	Small Business Fund	$73,800
John W Rollins Jr	Montclair	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$3,500
Jonathan Sebiri	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
KC Car Wash Inc.	Belleville Township	Essex County	Services	1	Small Business Fund	$450,000
Lins Newark Realty, LLC	Newark City	Essex County	Commercial	6	Statewide Loan Pool	$742,500
Martha P Farrell Gift Trust	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
New Jersey Institute of Technology	Newark City	Essex County	Technology/Life Sciences	0	NJ Ignite	$6,085
New Jersey Institute of Technology	Newark City	Essex County	Technology/Life Sciences	0	NJ Ignite	$7,384
New Jersey Performing Arts Center Corp.	Newark City	Essex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$201,517
Newark City (1826-1848 McCarter Highway)	Newark City	Essex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$43,191
Newark Downtown District Management Corp.	Newark City	Essex County	Not for Profit	2	Stand Alone Bond	$829,948
Ocean County Utilities Authority	Newark City	Essex County	Government Facility	0	Energy Resilience Bank	$4,766,017
Orange City	Orange City	Essex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$30,702
Orange Township City	Orange City	Essex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$21,652
PAL Real Estate Holdings III LLC	Newark City	Essex County	Commercial	160	Statewide Loan Pool	$410,000
Punita Kumar-Sinha Irrevocable Trust of 2012	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Richard M Davidson Revocable Living Trust	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
Sean Patrick Minnihan	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
SPR Media LLC	Newark City	Essex County	Film/Digital Media	0	Film Tax Credit Program	$453,374
St. Raphael RC Church	Livingston Township	Essex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$11,300
Stanley P. Rull	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
Stephen Kay	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$1,000
The Punita Kumar-Sinha Trust of 2001	Newark City	Essex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
University Hospital	Newark City	Essex County	Not for Profit	0	Energy Resilience Bank	$27,291,900
University Hospital	Newark City	Essex County	Not for Profit	0	Energy Resilience Bank	$11,828,100
Viacom International Inc.	Newark City	Essex County	Film/Digital Media	0	Film Tax Credit Program	$583,857
West Orange Township	West Orange Township	Essex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$129,177
39				**279**		**$65,688,130**

GLOUCESTER COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
Monroe Township	Monroe Township	Gloucester County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$18,787
1				**0**		**$18,787**

HUDSON COUNTY						
PROJECT	**MUNICIPALITY**	**COUNTY**	**PROJ TYPE**	**EST NEW JOBS**	**PROGRAM**	**FINANCING AMT**
463 Schuyler Ave Real Estate LLC	Kearny Town	Hudson County	Commercial	3	Small Business Fund	$97,000
Anthony C Bowe	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$17,450
Big Indie Chemical Hearts Inc	Harrison Town	Hudson County	Film/Digital Media	0	Film Tax Credit Program	$2,566,865
Cerminaro Group LLC	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$20,000
Children's Holdings, LLC	Jersey City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$500,000
CRT Holdings, LLC	Jersey City	Hudson County	Development	200	ER2GR	$8,746,104
Daniel Lee Markovitz	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Douglas Mark Ladden	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$62,866
Friends of Beloved Community Charter School 2,	Jersey City	Hudson County	Not for Profit	72	Stand Alone Bond	$37,735,000
George Edward Zobitz	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
Hemant Shah Family Foundation	Jersey City	Hudson County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$68,406
Infobip LLC	Jersey City	Hudson County	Technology/Life Sciences	25	Grow NJ (EOA)	$1,443,750
Jeffrey Kozlofff	Jersey City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Jersey City	Jersey City	Hudson County	N/A	0	Opportunity Zone Challenge	$100,000
John Howard Adelman	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$18,117
Kenneth Sharp	Jersey City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
KPIP Urban Renewal I, LLC	Kearny Town	Hudson County	Technology/Life Sciences	1	NJ Ignite	$8,745
Lynn A Brody	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Mark Adelman	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$18,117
marvin berenblum	Hoboken City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Matthew Patras	Jersey City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
Michael Robert Wisler 2012 Exempt Trust	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Mida Films	Jersey City	Hudson County	Film/Digital Media	0	Film Tax Credit Program	$40,316

HUDSON COUNTY (continued)						
PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Nicole Miranda Wisler 2012 Exempt Trust	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Paul M Lewis	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$9,058
PuppySpot Group, LLC	Jersey City	Hudson County	Commercial	60	Grow NJ (EOA)	$4,004,400
Random Productions, LLC	Jersey City	Hudson County	Film/Digital Media	0	Film Tax Credit Program	$10,173,670
Robert James Adelman	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$18,117
Robert Todd Goldman	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Stuart Daniel Shanler	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$30,000
Superior-MPM (Manufacturing Products Management) L	Bayonne City	Hudson County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$200,000
Touchstone Television Productions LLC	Kearny Town	Hudson County	Film/Digital Media	0	Film Tax Credit Program	$2,420,661
Universal Television LLC	Kearny Town	Hudson County	Film/Digital Media	0	Film Tax Credit Program	$11,213,965
Vincent DeGiaimo	Bayonne City	Hudson County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Zipdrug Inc.	Jersey City	Hudson County	Technology/Life Sciences	84	Grow NJ (EOA)	$6,300,000
35 PROJECTS				**445**		**$85,899,606**

HUNTERDON COUNTY						
PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Flemington Borough	Flemington Borough	Hunterdon County	N/A	0	Opportunity Zone Challenge	$100,000
1 PROJECT				**0**		**$100,000**

MERCER COUNTY						
PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Shakti Property LLC	Hamilton	Mercer County	Commercial	27	Statewide Loan Pool	$1,300,000
1100 Dental Limited Liability Co.	Trenton City	Mercer County	Commercial	3	GSGZ Business Improvement Incentive	$13,370
Adept Group, LLC	East Windsor Township	Mercer County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$24,132
Aditya D Menon	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
ankur keswani	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Apogee Pharma, Inc.	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Arlee's Raw Blends L.L.C.	Trenton City	Mercer County	Retail	20	Small Business Lease Incentive	$5,040
Ashok G Nigalaye	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Ashok Nigalaye	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Assisted Living Inc.	Hopewell Township	Mercer County	Not for Profit	0	Stronger New Jersey Business Loan	$50,000
Assisted Living Inc.	Hopewell Township	Mercer County	Not for Profit	14	Stronger New Jersey Business Loan	$1,437,795
BCI XII, LLC	East Windsor Township	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$115,000
Benny Soffer	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Bharath Potti	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
BHDH LLC	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$50,000
Bindu Reddy	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$35,000
David McGough	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$80,000
Divakar Kamath	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Donald Askin	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
Drago Shane Dzerve	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Elizabeth Yee Ming Lo	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Essordaro LLC	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Genmab US, Inc.	Plainsboro Township	Mercer County	Technology/Life Sciences	150	Grow NJ (EOA)	$12,810,000
Greater Trenton, Inc.	Trenton City	Mercer County	Not for Profit	6	GSGZ Business Improvement Incentive	$20,000
Haleemah Islamic Fashions	Trenton City	Mercer County	Retail	7	Small Business Lease Incentive	$4,500
Harjinder Sachdeva	Princeton Junction	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,200
Harlan Elliott Eplan	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
IJA Holdings, LLC	Trenton City	Mercer County	Manufacturing	10	Statewide Loan Pool	$1,250,000
Jamus McCormick Driscoll	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
Jared M Witt	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Jeff stewart	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Karl Weidel Inc	Trenton City	Mercer County	Commercial	0	GSGZ Business Improvement Incentive	$6,952
Manjusha N Tipre	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Mayur Doshi	East Windsor Township	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$30,000
Mercer County Improvement Authority	Trenton City	Mercer County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$31,647
Michael Yen-Kang Tseng	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
Navdeep Sandhu	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$50,000
navjit s bhasin	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
New Horizon Ventures Group Ltd	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$12,500
New Horizon Ventures Group Ltd	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
P. Jagan Reddy Trust FBO Dillon M. Kwatra	West Windsor Township	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$32,500
P. Jagan Reddy Trust FBO Shailen S. Kwatra	Princeton Junction	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$32,500
Pennington Borough	Pennington Borough	Mercer County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$301,604
Peter W. Gonzalez Jr.	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Peters Place, LLC	Trenton City	Mercer County	Commercial	0	GSGZ Business Improvement Incentive	$7,925
Prabhavathi Maddula	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Puri Family LLC	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Puri Family LLC	West Windsor Township	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000

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MERCER COUNTY (continued)						
PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Raksha K Trivedi	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Ram Potti Sudha R Potti	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$20,000
Ramakrishna v Sannidhi	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$37,500
Robert Keith Lem	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$1,500
Sam kliger	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Sandeep Beotra	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Surya V Seshan	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$30,000
The African American Chamber of Commerce of New Je	Trenton City	Mercer County	Not for Profit	3	GSGZ Business Improvement Incentive	$20,000
Thomas Gabriel Amato	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Trans Global Technologies, Inc	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$17,500
Trenton City	Trenton City	Mercer County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$523,782
Trenton City	Trenton City	Mercer County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$188,894
Vincent J. Santo	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Wasil Family Ventures	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Yean-whei Tseng	Princeton Borough	Mercer County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
63 PROJECTS				**240**		**$18,841,341**

MIDDLESEX COUNTY						
PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
225 Liberty Street LLC	Metuchen Borough	Middlesex County	Manufacturing	8	Statewide Loan Pool	$1,044,750
Federation Realty, L.L.C.	South Brunswick	Middlesex County	Commercial	15	Statewide Loan Pool	$1,000,000
Middlesex Water Co.	Various	Middlesex County	Exempt Public Facility	10	Stand Alone Bond	$53,700,000
Mira Property Management, LLC	East Brunswick Township	Middlesex County	Wholesale	2	Statewide Loan Pool	$500,000
Perth Amboy City	Perth Amboy City	Middlesex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$718,869
Perth Amboy City (Second Street Park)	Perth Amboy City	Middlesex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$1,799,986
Reino Real Estate LLC	East Brunswick	Middlesex County	Commercial	2	Small Business Fund	$93,000
Sudha Potti	Plainsboro Township	Middlesex County	Technology/Life Sciences	0	Angel Investor Tax Credit	$100,000
Woodbridge Township	Woodbridge Township	Middlesex County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$74,059
9 PROJECTS				**37**		**$59,030,664**

MONMOUTH COUNTY						
PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
32 Chestnut Realty LLC	Farmingdale Borough	Monmouth County	Wholesale	8	Statewide Loan Pool	$1,000,000
508 RT 35 LLC	Neptune Township	Monmouth County	Retail	0	Statewide Loan Pool	$600,000
ADDITIVE ORTHOPAEDICS LLC	Red Bank Borough	Monmouth County	Technology/Life Sciences	10	NJ CoVest Loan	$250,000
Amy Bauman	Holmdel Township	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Andrew Taylor	Eatontown Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Anthony Portannese	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Asbury Park City	Asbury Park City	Monmouth County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$245,738
Asbury Park City	Asbury Park City	Monmouth County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$67,500
Bradley L Beach and Kathryn A Beach	Belmar Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$38,100
Bradley L Beach and Kathryn A Beach	Belmar Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Christopher Rooney	Holmdel Township	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Christopher Rooney	Holmdel Township	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
East Coast Panelboard, Inc	Tinton Falls Borough	Monmouth County	Manufacturing	0	Statewide Loan Pool	$600,000
Edward Wilkin	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Fort Monmouth Economic Revitalization Authority	Oceanport Borough	Monmouth County	Government Facility	0	Direct Loan	$5,000,000
H. Edward Wilkin III	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
James T Scanlon	Red Bank Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,044
Jordan Michael Breitner	Eatontown Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Joseph Aglione	Fair Haven Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Joseph R. Keating Revocable Trust	Fair Haven Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Justus Derx	Belmar Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,000
Kevin Kilcullen	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Key Food Stores Co-Operative, Inc.	Old Bridge Township	Monmouth County	Wholesale	115	Grow NJ (EOA)	$4,887,500
Kirby S. Family Trust of 2014	Holmdel Township	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Lauren Rosenberg-Moffitt	Holmdel Township	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
Lauren Rosenberg-Moffitt	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Michael Leit	Eatontown Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
mike edward miles	Fair Haven Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,650
Niraj Kumar Pant	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$1,500
Patricia Deirdre Coughlin	Fair Haven Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Patrick J Rooney Jr	Holmdel Township	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Raj K Khaware	Holmdel Township	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$40,000
Robert A. and Harriet Druskin	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
Robert Connell	Holmdel	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$35,000
Sprague's Oil Service, Inc	Matawan Borough	Monmouth County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$61,400
SWP Real Estate LLC	Tinton Falls Borough	Monmouth County	Manufacturing	25	Statewide Loan Pool	$1,000,000
Thomas Skove	Fair Haven Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,400
Vincent Tizzio	Atlantic Highlands Borough	Monmouth County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
38 PROJECTS				**158**		**$13,963,832**

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MORRIS COUNTY

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Andrienne Rachelle Green	Morristown	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
Bruce Lee Silver and Julie Lynn Silver	Morris	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Cedar Knolls 2006 LLC	Hanover Township	Morris County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$97,838
Christopher C Dewey	Cedar Knolls	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$35,000
CIT Bank, N.A.	Morristown Town	Morris County	Services	137	Grow NJ (EOA)	$22,162,500
Daniel Isenberg	Morristown	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Daniel Martin Silvert	Morris	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
David L Lee and Jennifer S Choe	Morristown	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
David Matlin	Cedar Knolls	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$50,000
Greenblatt Partners, LP	Hanover Township	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$50,000
James Stephen DuBroff	Morristown	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Joseph Mannello	Cedar Knolls	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Lee Pressler	Morris	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Matthew Damien Stephens	Morristown	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Sarah Deborah Chirnomas	Morristown Town	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$7,500
Tolfan Ventrues, LLC	Morristown Town	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$20,000
Walter Michael Lewis	Morristown Town	Morris County	Technology/Life Sciences	0	Angel Investor Tax Credit	$40,562
17 PROJECTS				**137**		**$22,558,400**

OCEAN COUNTY

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Lagoon Marketing, LLC	Stafford Township	Ocean County	Services	0	Small Business Fund	$110,500
North American Camp Trust, Inc.	Wall Township	Ocean County	Not for Profit	4	Stand Alone Bond	$7,885,000
Ocean County Utilities Authority	Eagleswood Township	Ocean County	Government Facility	0	Energy Resilience Bank	$2,860,463
SMC River Avenue L.L.C.	Dover Township	Ocean County	Commercial	18	Statewide Loan Pool	$2,000,000
4 PROJECTS				**22**		**$12,855,963**

PASSAIC COUNTY

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
102 Gray Street Holdings LLC	Paterson City	Passaic County	Commercial	7	Direct Loan	$524,000
150 242 Fifth Avenue LLC	Hawthorne Borough	Passaic County	Commercial	8	Direct Loan	$1,249,600
50 Somerset Place LLC	Clifton City	Passaic County	Transportation	15	Statewide Loan Pool	$1,996,843
Community Child Care Center LLC	Paterson City	Passaic County	Day Care	0	GSGZ Business Improvement Incentive	$20,000
Gutierrez Money Transfer, Inc.	Passaic City	Passaic County	Commercial	5	GSGZ Business Improvement Incentive	$20,000
Manic Animatics LLC	Paterson City	Passaic County	Commercial	0	Small Business Lease Incentive	$4,950
Parking Authority of the City of Paterson	Paterson City	Passaic County	Development	15	ER3TC	$5,895,000
Paterson City	Paterson City	Passaic County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$40,681
Paterson City	Paterson City	Passaic County	N/A	0	Opportunity Zone Challenge	$100,000
Singer NY, LLC	Paterson City	Passaic County	Wholesale	0	Grow NJ (EOA)	$6,475,000
Tavarez Distributors Limited Liability Company	Passaic City	Passaic County	Commercial	12	Small Business Lease Incentive	$7,500
11 PROJECTS				**62**		**$16,333,574**

SALEM COUNTY

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Pittsgrove Township	Pittsgrove Township	Salem County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$141,286
Salem NJ 45 Griffith Street LLC and Apparel Distribution, Inc.	Salem City	Salem County	Commercial	30	Statewide Loan Pool	$1,000,000
2 PROJECTS				**30**		**$1,141,286**

SOMERSET COUNTY

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Andy Epstein	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
BackendB Holding Corp	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$127,500
David Grusin	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Edward Robert Roskind	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Freeman Jeffrey Smith	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Hampl Family Trust dtd 12/30/2009	Bridgewater Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$300,000
Hopedene Ventures, LLC	Bedminster Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
James J Casey	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Judith E. O'Brien & Charles J. O'Brien	Franklin Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
Kenneth Paul Schapiro	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Kenneth Schapiro	Bernards Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$14,000
Kenneth Schapiro Irrevocable Family Trust	Bridgewater Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$1,000
Legend Biotech USA, Inc.	Franklin Township	Somerset County	Technology/Life Sciences	305	Grow NJ (EOA)	$12,962,500
Martin Tuchman Revocable Trust	Franklin Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000
Mitchell Rubin	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Paul F Saydah	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Richard Arnesen	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Richard Rosen	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$25,000

SOMERSET COUNTY (continued)

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Roger W Thomas	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$30,000
Serota, LLC	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$10,000
Somerville Borough	Somerville Borough	Somerset County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$455,730
Stacy and Saeid Arshadi JTWROS	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Stanley Sheft	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$30,000
Steven Blau	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Steven Bork	Bernards	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Sylvia Seltzer	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
Triple B 17, LLC	Bedminster Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$75,000
Ucciferri Living Trust	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$15,000
Walter R Obermeyer Holdings Inc.	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$2,500
William J. Lynch	Bridgewater Township	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Yvonne J Camacho Revocable Trust	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$5,000
Zubin William Emsley	Bridgewater	Somerset County	Technology/Life Sciences	0	Angel Investor Tax Credit	$20,000
32 PROJECTS				**305**		**$14,255,730**

STATEWIDE

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Small Business Bonding Readiness (28)	Statewide	Statewide	N/A	0	Small Business Bonding Readiness Assistance	$250,000
NOL (46)	Statewide	Statewide	Technology/Life Sciences	0	Technology Business Tax Certificate Transfer (NOL) Program	$60,000,000
74 PROJECTS				**0**		**$60,250,000**

SUSSEX COUNTY

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Oshidar Real Estate II, LLC	Montague Township	Sussex County	Services	6	Statewide Loan Pool	$80,000
1 PROJECT				**6**		**$80,000**

UNION COUNTY

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
251 S. 31st Street LLC	Kenilworth Borough	Union County	Wholesale	10	Statewide Loan Pool	$1,000,000
Business Energy LLC	Union Twp.	Union County	Technology/Life Sciences	0	NJ Ignite	$1,000
Hayward Industries, Inc.	Berkeley Heights Township	Union County	Manufacturing	14	Grow NJ (EOA)	$2,280,000
KLT Real Estates Holdings, LLC	Rahway City	Union County	Services	12	Statewide Loan Pool	$600,000
Oshidar Real Estate, LLC	Roselle Park Borough	Union County	Services	0	Statewide Loan Pool	$540,000
Property Partner Managers, LLC	Westfield Town	Union County	Commercial	2	Small Business Fund	$193,500
Robert W. Croce	New Providence Borough	Union County	Technology/Life Sciences	0	Angel Investor Tax Credit	$47,753
Sunrise Pharmaceutical Inc	Rahway City	Union County	Manufacturing	42	Statewide Loan Pool	$487,727
Trinitas Regional Medical Center	Elizabeth City	Union County	Not for Profit	0	Energy Resilience Bank	$7,061,264
Trinitas Regional Medical Center	Elizabeth City	Union County	Not for Profit	0	Energy Resilience Bank	$3,298,645
10 PROJECTS				**80**		**$15,509,889**

PROJECT	MUNICIPALITY	COUNTY	PROJ TYPE	EST NEW JOBS	PROGRAM	FINANCING AMT
Alpha Borough	Alpha Borough	Warren County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$3,500
Washington Borough	Washington Borough	Warren County	Site Remediation	0	Hazardous Discharge Site Remediation Fund	$171,376
2 PROJECTS				**0**		**$174,876**

383 PROJECTS				**2,288**		**$ 495,409,057**

PROJECT TYPE KEY

*** Funded through Economic Recovery Fund (ERF)**

Project Type Key			
AG: Agriculture	CM: Commercial	CC: Continuing Care Retirement	DS: Distribution
CF: Commercial Fishing	GF: Government Facility	MF: Manufacturing	NH: Nursing Home
OF:Office Facility	PC: Pollution Control	RD: Research & Development	SV: Services
TP: Transportation	WS: Wholesale	RT: Retail	EX: Exempt Public Facility
RH: Residential Health Care	RC: Recycling	CT: Construction Trade	DC: Day Care
NP: Not for Profit	SR: Site Remediation	UT: Underground Storage Tank	HS: Housing
CU: Cultural	IN: Infrastructure	SS: Streetscape	RL: Recreational
TC: Technology	IC: Innovation Challenge		

Program Type Key			
GSG	Garden State Growth Zone BLI-BII	**HTF**	New Jersey Historic Trust Fund
HAZ	Hazardous Site Remediation - Commercial	**NJC**	NJ CoVest Fund
HSM	Hazardous Site Remediation - Municipal	**NCS**	NCR Streetscape
SAB	Stand-Alone Bond	**LDF**	Local Development Financing Fund
IC	Innovation Challenge	**RIF**	Real Estate Impact Fund
DIR	Direct Loan	**SER**	Economic Resilence Bank
GN2	Grow New Jersey Tax Credit-EOA	**PLP**	Premier Lender Program
NAS	NJ FF All Stars	**ER2**	EOA ERG - Commercial
ER3	EOA ERG - Residential / Mixed Use Parking		

2019 INCENTIVES ISSUANCE REPORT

The following is a summary of NJEDA activity related to the actual issuance of tax credits or cash reimbursements, as applicable, for the following incentives programs administer by the Authority:

- Grow NJ Program (EOA and Legacy)
- Economic Redevelopment and Growth (ERG) Program (Commercial and Residential)
- Urban Transit Hub Tax Credit Program
- Business Employment Incentive Program (BEIP)
- Business Retention and Relocation Assistance Grant (BRRAG) Program

Exhibit A – Summary of Incentives Issuances in CY 2019 (By Program)

Program	Tax Credit Issuance	Cash Reimbursement Issuance	Total Issuance
BEIP	$28,848,637	-	$28,248,637
BRRAG	-	-	-
Commercial ERG	-	$13,311,066	$13,311,066
Residential ERG	$36,627,490	-	$36,627,490
Grow NJ (EOA)	$33,508,624	-	$33,508,624
Grow NJ (Legacy)	$8,846,000	-	$8,846,000
Urban Transit Hub	$43,490,428	-	$43,490,428
TOTAL	**$151,321,178**	**$13,311,066**	**$164,632,244**

Please see Exhibit D – Summary of Incentives Issuance (by Project) for a detailed listing of projects that received the issuances reported above.

Exhibit B – Projects Certified by NJEDA and Division of Taxation

(Grow NJ – EOA and Legacy, ERG – Commercial and Residential, and Urban Transit Hub)

In CY2019, EDA and Taxation certified xx new projects under the Grow NJ, ERG and Urban Transit Hub Tax Credit Programs. Of this xx, xx were Grow NJ (EOA) projects, x were Grow NJ (Legacy) projects, x were commercial ERG projects, x were residential ERG projects, and x was an Urban Transit Hub Tax Credit Project.

The chart below illustrates new certifications (by EDA and Taxation) annually, from CY2015 – CY2019:

Exhibit C – Estimated Total Incentives Issuance

(Grow NJ – EOA and Legacy, ERG – Commercial and Residential, and Urban Transit Hub)

As of 8/26/2020, NJEDA has issued approximately $1,040,014,838 in tax credits or cash reimbursements to 177 projects.

A full listing of projects that are certified, completed and received a tax credit or cash reimbursement issuance can be found on the NJEDA website at **https://www.njeda.com/pdfs/reports/Completed_and_Certified_Incentive_Projects.aspx**

Below is a summary of estimated cumulative total incentives issuance from CY2015 – CY2020 to date:

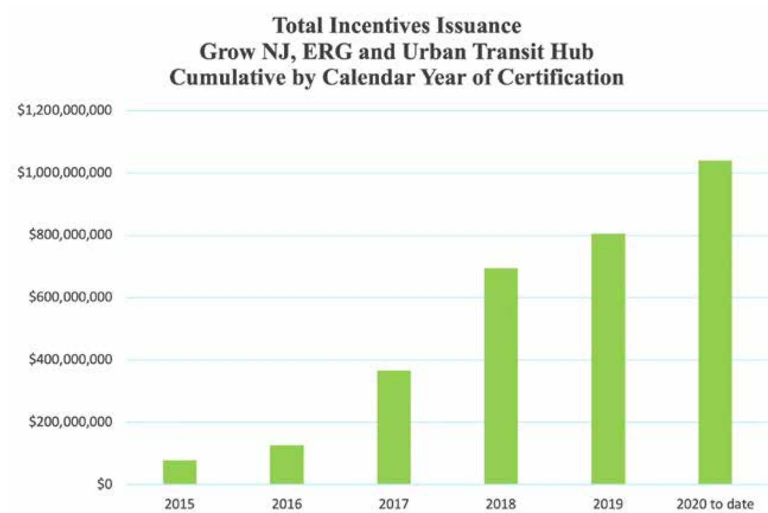

Exhibit D - Summary of Incentive Issuance - CY 2019
Issuance by Program

Business Employment Incentive Program (BEIP)			
Project	Municipality	County	CY 2019 Issuance
City Theatrical, Inc.	Carlstadt Borough	Bergen	$32,133
HighRoad Press, LLC	Moonachie Borough	Bergen	$1,018
IBM Corporation	Paramus Borough	Bergen	$355,944
IBM Corporation	Paramus Borough	Bergen	$767,182
KPMG LLP	Montvale Borough	Bergen	$155,595
McLean Packaging Corporation and MJF Realty Group,	Moorestown	Burlington	$40,401
McLean Packaging Corporation and MJF Realty Group,	Moorestown	Burlington	$85,541
AJM Packaging Corporation	Vineland City	Cumberland	$34,141
Echosphere LLC/DISH	Roseland Borough	Essex	$96,453
Echosphere LLC/DISH	Roseland Borough	Essex	$120,566
Standard Chartered Bank	Newark City	Essex	$722,337
Standard Chartered Bank	Newark City	Essex	$1,349,884
Standard Chartered Bank	Newark City	Essex	$31,869
Amdocs, Inc.	Jersey City	Hudson	$31,579
AXA Equitable Life Insurance Company	Jersey City	Hudson	$2,165,179
AXA Equitable Life Insurance Company	Jersey City	Hudson	$4,864,695
Caduceus, Inc.	Jersey City	Hudson	$11,311
Citco Fund Services (USA), Inc.	Jersey City	Hudson	$527,310
Dealerweb/Hilliard Farber & Company, Inc	Jersey City	Hudson	$471,781
Depository Trust & Clearing Corp. & affiliates	Jersey City	Hudson	$914,541
Enstar (US) Inc/Torus US Services	Jersey City	Hudson	$33,944
Enstar (US) Inc/Torus US Services	Jersey City	Hudson	$135,775
ExlService Holdings, Inc. and its subsidiaries	Jersey City	Hudson	$262,388
IPC Systems, Inc. & IPC Networks Services, Inc.	Jersey City	Hudson	$398,806
IPC Systems, Inc. & IPC Networks Services, Inc.	Jersey City	Hudson	$88,317
IPC Systems, Inc. & IPC Networks Services, Inc.	Jersey City	Hudson	$206,054
John Wiley & Sons, Inc.	Hoboken City	Hudson	$1,830,740
Mizuho Bank, Limited	Jersey City	Hudson	$379,260
MLB Network, LLC, The	Secaucus Town	Hudson	$625,762
Northern Trust Company, The	Jersey City	Hudson	$75,296
Northern Trust Company, The	Jersey City	Hudson	$169,179
Proximo Spirits, Inc.	Jersey City	Hudson	$124,696
Scivantage, Inc.	Jersey City	Hudson	$195,895
Scivantage, Inc.	Jersey City	Hudson	$244,869
Sumitomo Mitsui Trust Bank (U.S.A.) Limited	Jersey City	Hudson	$173,192
TD Ameritrade, Inc.	Jersey City	Hudson	$374,814
TradeWeb Markets LLC & TradeWeb Holdings, LLC	Jersey City	Hudson	$445,889
Medical Diagnostic Laboratories, LLC	Hamilton	Mercer	$128,723
Medical Diagnostic Laboratories, LLC	Hamilton	Mercer	$201,910
Mercedes-Benz USA, LLC	Robbinsville	Mercer	$32,182
Mercedes-Benz USA, LLC	Robbinsville	Mercer	$51,010
Otsuka America Pharmaceutical, Inc. & Otsuka	Princeton Junction	Mercer	$190,050
Waste Management of New Jersey Incorporated	Ewing	Mercer	$6,177
Waste Management of New Jersey Incorporated	Ewing	Mercer	$24,707
AT Systems Atlantic, Inc./Garda CL Atlantic	Edison	Middlesex	$4,965
Bracco Diagnostics Inc.	Monroe Township	Middlesex	$70,948
Product Safety Labs, Inc.	Dayton	Middlesex	$20,493
Product Safety Labs, Inc.	Dayton	Middlesex	$25,617
Solidia Technologies	Piscataway	Middlesex	$48,583
Vitech Systems Group, Inc.	Iselin	Middlesex	$89,568
Williams-Sonoma Direct, Inc.	South Brunswick	Middlesex	$14,324
CommVault Americas, Inc.	Tinton Falls Borough	Monmouth	$273,007
International Vitamin Corporation	Freehold	Monmouth	$28,132
Avis Budget Car Rental, LLC	Parsippany-Troy Hills Township	Morris	$562,285
Ferring Pharmaceuticals, Inc.	Parsippany-Troy Hills Township	Morris	$881,740
ProSight Specialty Management Company, Inc.	Morristown Town	Morris	$18,441

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Exhibit D - Summary of Incentive Issuance - CY 2019
Issuance by Program

Project	Municipality	County	CY 2019 Issuance
Harris Corp/Exelis, Inc.	Clifton City	Passaic	$309,807
SupplyOne New York, Inc.	Paterson City	Passaic	$8,611
McLane New Jersey, Inc./McLane Company, Inc.	Upper Township	Salem	$246,470
Barnes & Noble College Booksellers, LLC	Bernards Township	Somerset	$497,880
Dr. Reddy's Laboratories	Bridgewater	Somerset	$158,594
ImClone Systems Corporation	Branchburg	Somerset	$40,243
ImClone Systems Corporation	Branchburg	Somerset	$160,971
ImClone Systems Corporation	Branchburg	Somerset	$288,863
Novel Laboratories, Inc	Franklin Township	Somerset	$69,014
Novel Laboratories, Inc	Franklin Township	Somerset	$234,941
QUALCOMM Flarion Technologies, Inc., Qualcomm Inc	Bridgewater Township	Somerset	$399,536
Sanofi-Aventis U.S. LLC and Sanofi-Aventis U.S.	Single County - Multi City	Somerset	$325,962
Sanofi-Aventis U.S. LLC and Sanofi-Aventis U.S.	Single County - Multi City	Somerset	$407,452
Sanofi-Aventis U.S. LLC and Sanofi-Aventis U.S. In	Bridgewater	Somerset	$1,899,155
Sanofi-Aventis U.S. LLC and Sanofi-Aventis U.S. In	Bridgewater	Somerset	$2,373,943
United HealthCare Services, Inc.	Bernards Township	Somerset	$102,507
L'Oreal USA Products, Inc. & L'Oreal USA S/D, Inc.	Berkeley Heights	Union	$107,490
Total BEIP Tax Credit Issuance - CY 2019			**$28,848,637**

Economic Redevelopment and Growth Program - Commercial			
Project	Municipality	County	CY 2019 Issuance
DGMB Casino, LLC	Atlantic City	Atlantic	$508,635
Harrah's Atlantic City Holding, Inc.	Atlantic City	Atlantic	$1,085,734
Catellus Teterboro Development Urban Renewal, LLC	Teterboro Borough	Bergen	$7,580,392
Mt. Laurel Development, LLC	Mount Laurel	Burlington	$1,665,847
810 Broad Street LLC	Newark City	Essex	$205,497
MSST Fidelco Properties LLC	Newark City	Essex	$394,461
DVL,Inc.	Kearny Town	Hudson	$873,953
Saker Shoprites Inc.	Somerville Borough	Somerset	$492,221
East Grand Assoc. Urban Renewal Entity, LLC	Elizabeth City	Union	$115,230
Jersey Garden Lodging Assoc. LLP	Elizabeth City	Union	$389,096
Total Commercial ERG Cash Reimbursement Issuance			**$13,311,066**

Economic Redevelopment and Growth Program - Residential			
Project	Municipality	County	CY 2019 Issuance
ACTH Partners, LP	Atlantic City	Atlantic	$659,108
Carver Hall	Atlantic City	Atlantic	$1,352,411
Island Campus Redevelopment Assoc. LLC	Atlantic City	Atlantic	$2,992,536
Island Campus Redevelopment Assoc. LLC	Atlantic City	Atlantic	$3,842,301
South Inlet Partners Urban Renewal LLC	Atlantic City	Atlantic	$2,443,356
Broadway Assoc. 2010 LLC	Camden City	Camden	$1,349,166
Broadway Housing Partners LLC	Camden City	Camden	$611,989
7 Long Street Doddtown, LLC	East Orange City	Essex	$335,485
7 Long Street Doddtown, LLC	East Orange City	Essex	$335,485
7 Long Street Doddtown, LLC	East Orange City	Essex	$335,485
Washington Street University Housing Assoc., LLC	Newark City	Essex	$2,314,247
Glassboro A-3 Urban Renewal LLC	Glassboro Borough	Gloucester	$3,012,887
Glassboro A-4 Urban Renewal LLC	Glassboro Borough	Gloucester	$2,084,660
Glassboro Mixed-Use Urban Renewal, LLC	Glassboro Borough	Gloucester	$2,204,581
KRE Hamilton Urban Renewal LLC	Jersey City	Hudson	$4,000,000
Roseville Avenue Redevelopment Urban Renewal LLC	Jersey City	Hudson	$1,006,518
Building 101 Urban Renewal LLC	Trenton City	Mercer	$1,618,580
North 25 Urban Renewal Preservation, LP	Trenton City	Mercer	$852,615
PRC Campus Centers, LLC	Ewing	Mercer	$1,576,770
Trent West Senior Apartments Urban Renewal Limited	Trenton City	Mercer	$638,426
Beachway Urban Renewal Associates, L.P.	Keansburg Borough	Monmouth	$1,702,297

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Exhibit D - Summary of Incentive Issuance - CY 2019
Issuance by Program

Project	Municipality	County	CY 2019 Issuance
Parkers Walk Urban Renewal LLC	Elizabeth City	Union	$679,294
Parkers Walk Urban Renewal LLC	Elizabeth City	Union	$679,294
Total Residential ERG Tax Credit Issuance			**$36,627,490**

Grow NJ - EOA			
Project	**Municipality**	**County**	**CY 2019 Issuance**
Advanced Hydraulic Systems, Inc.	Camden City	Camden	$405,000
Amerinox Processing, Inc.	Camden City	Camden	$815,000
Holtec International	Camden City	Camden	$26,000,000
IPAK, Inc.	Camden City	Camden	$1,395,000
Plastics Consulting and Manufacturing Company, Inc	Camden City	Camden	$392,000
Advisor Group, Inc.	Jersey City	Hudson	$465,000
Clover Health LLC	Jersey City	Hudson	$470,874
The Interpublic Group of Companies, Inc.	Jersey City	Hudson	$775,500
The Interpublic Group of Companies, Inc.	Jersey City	Hudson	$775,500
New Classic Cooking LLC	Avenel	Middlesex	$825,000
New York Popular, Inc	Carteret Borough	Middlesex	$968,500
Pollaro Custom Furniture, Inc.	Hillside	Union	$221,250
Total Grow NJ (EOA) Tax Credit Issuance			**$33,508,624**

Grow NJ - Legacy			
Project	**Municipality**	**County**	**CY 2019 Issuance**
151 Foods LLC	Bellmawr Borough	Camden	$1,878,000
Destination Maternity Corp.	Florence	Burlington	$2,968,000
United Parcel Service, Inc.	Parsippany-troy Hills	Morris	$4,000,000
Total Grow NJ - Legacy Tax Credit Issuance			**$8,846,000**

Urban Transit Hub Tax Credit Program			
Project	**Municipality**	**County**	**CY 2019 Issuance**
36-54 Rector Street LLC	Newark City	Essex	$2,066,663
RBH-TRB Newark Holdings, LLC	Newark City	Essex	$3,945,674
TDAF I Springfield Avenue Holding Urban Renewal	Newark City	Essex	$2,383,185
Two Center Street Urban Renewal, L.L.C.	Newark City	Essex	$3,300,000
70 Columbus Urban Renewal, LLC	Jersey City	Hudson	$2,831,758
Grand LHN I Urban Renewal LLC	Jersey City	Hudson	$4,201,521
Harborside Unit A Urban Renewal, L.L.C.	Jersey City	Hudson	$3,300,000
Journal Square I Urban Renewal LLC	Jersey City	Hudson	$3,300,000
PHMII Associates, LLC	Jersey City	Hudson	$1,977,691
Boraie Development LLC or Nominee	New Brunswick City	Middlesex	$2,381,036
College Avenue Redevelopment Assoc. LLC	New Brunswick City	Middlesex	$3,300,000
Matrix Upper Lot Urban Renewal, LLC	New Brunswick City	Middlesex	$2,842,900
Transit Village Assoc. LLC	New Brunswick City	Middlesex	$7,660,000
Total Urban Transit Hub Tax Credit Issuance - CY2019			**$43,490,428**

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2019 BEIP ANNUAL REPORT

Business Employment Incentive Program (BEIP)

Project Status	Number of Projects	Total Award	Disbursements to Date	Tax Credit Issuance to Date*	Total Capital Investment	Jobs Created to Date
Active	255	$1,087,669,005	$867,163,517	$82,413,855	$6,065,529,878	65,294
Inactive	126	$280,885,483	$320,638,541	$0	$3,998,382,803	30,941
Obligation Satisfied	68	$158,616,616	$320,044,280	$616,735	$2,111,731,004	25,007
Grand Total	**449**	**$1,527,171,104**	**$1,507,846,338**	**$83,030,590**	**$12,175,643,685**	**121,242**

** On January 11, 2016, P.L. 2015, c. 194 was enacted, permitting the voluntary conversion of BEIP grant commitments into tax credits.*

A complete project list can be found at **www.njeda.com/public_information/incentive_activity/beip**

2019 BRRAG ANNUAL REPORT

Business Retention and Relocation Assistance Grant (BRRAG) Program

Project Status	Number of Projects	Total Approved Award	Total Issuance to Date	Total Capital Investment	Total Eligible BRRAG Jobs
Certified - Active	4	$63,805,500	$37,336,500	$252,185,000	4,862
Certified - Post Payment Compliance	19	$27,542,410	$24,545,410	$159,263,800	4,705
Compliance Period Complete	46	$21,544,050	$20,863,600	$986,440,539	14,029
Inactive	16	$9,970,350	$0	$713,161,000	6,300
Grand Total	**85**	**$122,862,310**	**$82,745,510**	**$2,111,050,339**	**29,896**

A complete project list can be found at **www.njeda.com/pdfs/reports/BRRAG_Activity.aspx**

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INNOVATION ECONOMY ACTIVITY REPORT

(2019 NJ EMERGING TECHNOLOGY AND BIOTECHNOLOGY ANNUAL REPORT)

New Jersey Emerging Technology and Biotechnology Financial Assistance 2019 Annual Report

The New Jersey Economic Development Authority (NJEDA) provided more than $67 million in assistance in 2019 to help spur scientific innovation, create new, high-paying jobs and cultivate an entrepreneurial environment for technology and life sciences companies in New Jersey.

Technology Business Tax Certificate Program (NOL Program)

In support of the Edison Innovation Fund and in accordance with amendments made to the New Jersey

Emerging Technology and Biotechnology Financial Assistance Act (P.L.1997, C.334, section 1), the EDA administers the Technology Business Tax Certificate Program in coordination with the New Jersey Division of Taxation. The program makes $60 million in tax certificates available each year to growing biotechnology and technology companies and assists these businesses in continuing their research, raising capital and strengthening and building their business. Below is a summary of the approvals made in CY2019:

Company	Municipality	County
Acuitive Technologies	Allendale	Bergen
Elite Laboratories	Northvale	Bergen
MDX Media DBA Sapphire Digital	Lyndhurst	Bergen
Hemispherx	Riverton	Burlington
Moblty	Livingston	Essex
Nephros	South Orange	Essex
Akers Nanotechnology, Inc.	Sewell	Gloucester
Acreto Cloud Corporation	Jersey City	Hudson
Scynexis, Inc.	Jersey City	Hudson
TrialScope	Jersey City	Hudson
Provention Bio, Inc.	Lebanon	Hunterdon
Arable Labs	Princeton	Mercer
Celsion Corporation	Lawrenceville	Mercer
Niksun, Inc.	Princeton	Mercer
OncoSec Medical Incorporated	Pennington	Mercer
Soligenix, Inc.	Princeton	Mercer
Admera Health	South Plainfield	Middlesex
BioAegis Therapeutics, Inc.	North Brunswick	Middlesex
Brilliant Light Power, Inc.	Cranbury	Middlesex
Chromocell Corporation	North Brunswick	Middlesex
CircleBlack	Kingston	Middlesex
CytoSorbents	Monmouth Junction	Middlesex
EOS Energy Storage	Edison	Middlesex
Inpensa	South Plainfield	Middlesex
IoTecha Corp.	Piscataway	Middlesex
Nanotech Industries	Avenel	Middlesex
Ocean Power Technologies	Monroe	Middlesex
Outlook Therapeutics FKA Oncobiologics	Cranbury	Middlesex
Prazas Learning Inc.	Kendall Park	Middlesex
Solidia Technologies	Piscataway	Middlesex
United Silicon Carbide Inc.	Monmouth Junction	Middlesex
Angel Medical Systems	Eatontown	Monmouth
Flowonix Medical Inc.	Mt. Olive	Morris
Hope Portal Services, Inc. DBA Hope Trust	Holmdel	Ocean
Bellerophon Therapeutics	Warren	Somerset
Caladrius Biosciences	Basking Ridge	Somerset
Celularity	Warren	Somerset
Duet Microelectronics	Raritan	Somerset
electroCore, Inc.	Basking Ridge	Somerset
Malbec Solutions DBA Malbek	Somerset	Somerset
Matinas Biopharma	Bedminster	Somerset
Valeritas	Bridgewater	Somerset
CorMedix, Inc.	Berkeley Heights	Union
Engage Therapeutics	Summit	Union
MDSeq	Union	Union
Svelte Medical Systems	New Providence	Union
46 COMPANIES		$60,000,000

Angel Investor Tax Credit Program

The Angel Investor Tax Credit provides refundable tax credits against New Jersey corporation business or gross income tax for 10 percent of a qualified investment in an emerging technology business with a physical presence in New Jersey that conducts research, manufacturing, or technology commercialization.

CY2019 Quarter	Applications	Investment Amt	Tax Credit Amt
Q1	13	$5,625,000	$562,500
Q2	18	$3,682,148	$368,214
Q3	8	$1,850,000	$185,000
Q4	122	$21,952,179	$2,195,219
TOTAL	161	$33,109,327	$3,310,933

NJ CoVest Fund

The NJ CoVest Fund provides seed funding to New Jersey technology and life sciences companies to further commercialize their technology and scale revenues. Investments made through the NJ CoVest Fund align with the EDA's ongoing strategy of supporting New Jersey's entrepreneurial ecosystem.

In CY2019, 2 projects closed on funding through the NJ CoVest Fund:

Company	Municipality	County	Financing Amt
ADDITIVE ORTHOPAEDICS LLC	Red Bank	Monmouth	$250,000
INQUISITHEALTH, INC.	River Edge	Bergen	$250,000

Venture Fund Activity

EDA forms collaborative partnerships with venture capital fund managers active in New Jersey's Technology and life science community. Our venture partners leverage EDA investment to increase funds available for emerging technology & life sciences companies to grow and create jobs in the State.

In CY2019, the EDA committed to a limited partnership investment of up to $3,000,000 in Newspring Health Capital III, L.P. Funding for the investment was made from the Economic Recovery Fund (ERF).

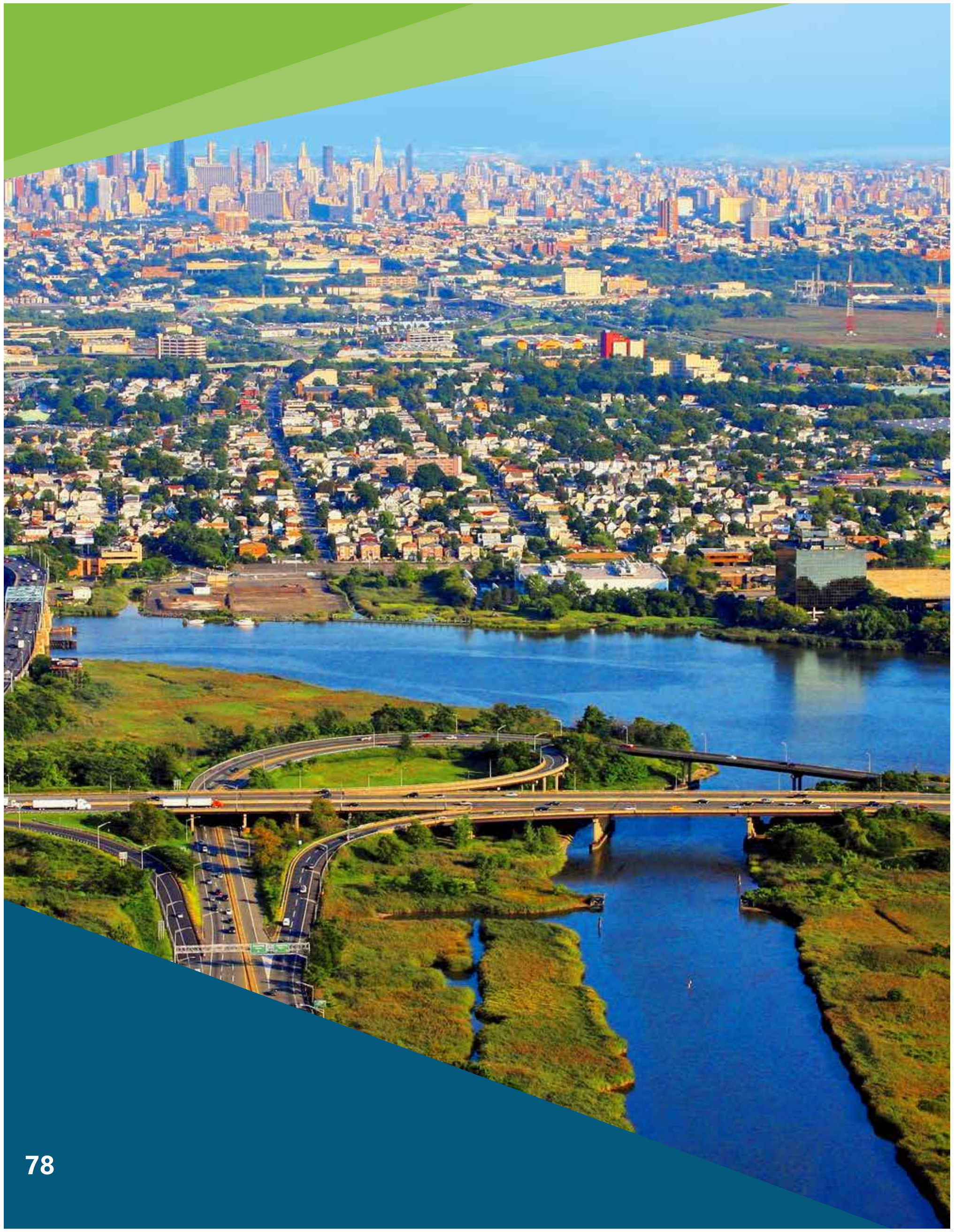
NJ Ignite Program

One of the pillars of Governor Murphy's vision of a stronger fairer economy is recreating New Jersey as a home for innovation. Fostering emerging businesses and helping them overcome barriers to commercial success is critical to achieving that vision.

NJ Ignite supports entrepreneurs by providing rent support grants. In addition, this program provides collaborative workspaces with a new tenant attraction tool.

In CY2019, 4 projects closed on grants through NJ Ignite:

Project Name	Entrepreneur	Approved Workspace	Grant Amount
KPIP Urban Renewal I, LLC	GLW Foot & Ankle, LLC DBA Car2	Kearny Point Building 78	$8,745
New Jersey Institute of Technology	OculoMotor Technologies	VentureLink	$6,085
New Jersey Institute of Technology	Big Magic, Inc.	VentureLink	$7,384
Business Energy LLC	SWAYworkplace LLC	Business Energy	$1,000



CERTIFICATIONS PURSUANT TO E.O. 37

November 2020

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2019 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated October 21, 2020, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Tim Sullivan, certify that during 2019, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.

-Tim Sullivan
EDA CEO

I, Richard LoCascio, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.

- Richard LoCascio
CPA Controller

NJEDA

ECONOMIC DEVELOPMENT AUTHORITY

Financial Statements

New Jersey Economic Development Authority
Years Ended December 31, 2019 and 2018
With Report of Independent Auditors

Ernst & Young LLP

Building a better working world

New Jersey Economic Development Authority

(a component unit of the State of New Jersey)

Financial Statements

Years Ended December 31, 2019 and 2018

Contents

Building a better working world

Ernst & Young LLP
99 Wood Avenue South
Metropark
P.O. Box 751
Iselin, NJ 08830-0471

Tel: +1 732 516 4200
Fax: +1 732 516 4429
ey.com

Report of Independent Auditors

The Management and Members of the Authority
New Jersey Economic Development Authority

We have audited the accompanying financial statements of the New Jersey Economic Development Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EY
Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of changes in the Authority's net postemployment benefits other than pensions ("OPEB") liability and related ratios, the schedule of the Authority's OPEB contributions, the schedule of the Authority's proportionate share of the net pension liability and the schedule of the Authority's contributions to the Public Employees' Retirement System ("PERS") as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst & Young LLP

October 21, 2020

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Management's Discussion and Analysis

Years Ended December 31, 2019 and 2018

This section of the New Jersey Economic Development Authority's ("Authority" or "NJEDA") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2019 and 2018. Please read it in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: Management's Discussion and Analysis, the basic financial statements, and required supplementary information. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short- and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business engaged in such activities as real estate development, investment banking, commercial lending, construction management and consultation. While detailed sub-fund information is not presented, separate accounts are maintained for each program or project to control and manage money for particular purposes or to demonstrate that the Authority is properly using specific appropriations, grants and bond proceeds.

2019 FINANCIAL HIGHLIGHTS

- The Authority's total net position increased $1.1 million (or 0.2%) as an increase in operating revenues were nearly offset by a decrease in nonoperating revenues.

- The net pension liability decreased $4.5 million (or 9.8%) due to a change in the Authority's proportionate share of the State of New Jersey's net pension liability.

- Finance fees decreased $2.9 million (or 28.2%) due largely to declining volume of activity in the Grow NJ and Economic Recovery & Growth incentive programs the Authority administers.

- Other operating revenue increased $19.8 million (or 175.8%) as the Authority received distributions from specific venture fund investments in which it is a limited partner.

- Interest income from investments increased $2.2 million (or 48.4%) due to an increase in interest rates, coupled with the maturity and roll-off of specific investments being replaced by similar investments at higher rates.

- Federal appropriations decreased $17.8 million (or 45.6%), State appropriations decreased $9.8 million (or 43.9%) and program payments decreased $8.7 million (or 19.0%) due largely to the volume of disbursements declining within the Superstorm Sandy program and other State programs.

2018 FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased $2.8 million (or 0.5%).

- The net pension liability decreased $9.1 million (or 16.5%) due to a change in the Authority's proportionate share of the State of New Jersey's net pension liability.

- Finance fees decreased $10.7 million (or 51.4%) due largely to declining volume of activity in the Grow NJ incentive program the Authority administers.

- Other revenue decreased $3.3 million (or 22.6%) as one-time distributions received in 2017 from specific venture fund investments in which the Authority is a limited partner did not recur in the current year.

- Interest income from investments increased $1.4 million (or 44.6%) due to an increase in interest rates, coupled with the maturity and roll-off of specific investments being replaced by similar investments at higher rates.

- Salaries and benefits expenses decreased $0.4 million (or 1.4%) due to a reduction in recognized pension expense from the prior year.

- Program costs increased $5.0 million (or 66.1%) due largely to consultative expenses related to the demolition and remediation of property at Fort Monmouth, as well as disbursements related to an economic development strategic planning initiative.

- Program payments decreased $30.8 million (or 40.1%) due largely to the volume of disbursements declining within the Superstorm Sandy program.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position. The following table summarizes the changes in Net Position at December 31, 2019, 2018 and 2017:

	2019	2018	2017	% Increase/(Decrease) 2019/2018	2018/2017
Assets:					
Other assets	**$ 546,326,742**	$ 517,908,736	$ 519,821,772	5.5%	(0.4)%
Capital assets, net	**53,323,893**	56,654,856	61,964,015	(5.9)%	(8.6)%
Total assets	**599,650,635**	574,563,592	581,785,787	4.4%	(1.2)%
Deferred outflows of resources:					
Deferred outflow related to pension	**10,270,840**	16,891,150	24,053,182	(39.2)%	(29.8)%
Deferred outflow related to OPEB	**118,214**	1,868,724	1,160,185	(93.7)%	61.1%
Total deferred outflows of resources	**10,389,054**	18,759,874	25,213,367	(44.6)%	(25.6)%
Liabilities:					
Current liabilities	**15,207,228**	11,784,097	15,162,524	29.0%	(22.3)%
Net pension liability	**41,533,862**	46,021,947	55,148,355	(9.8)%	(16.5)%
Other noncurrent liabilities	**7,275,720**	8,451,469	15,121,883	(13.9)%	(44.1)%
Total liabilities	**64,016,810**	66,257,513	85,432,762	(3.4)%	(22.4)%
Deferred inflows of resources:					
Deferred inflow related to pension	**16,307,759**	15,972,223	11,069,760	2.1%	44.3%
Deferred inflow-OPEB	**20,856,517**	3,356,627	-	521.4%	100.0%
Total deferred inflows of resources	**37,164,276**	19,328,850	11,069,760	92.3%	74.6%
Net position:					
Net investment in capital assets	**53,323,893**	56,654,856	59,699,588	(5.9)%	(5.1)%
Restricted	**35,304,801**	34,125,434	33,454,700	3.5%	2.0%
Unrestricted	**420,229,909**	416,956,813	417,342,344	0.8%	(0.1)%
Total net position	**$ 508,858,603**	$ 507,737,103	$ 510,496,632	0.2%	(0.5)%

During 2019, the Authority's combined net position increased by $1.1 million due to:

$	1.1 Million	Hazardous Discharge Site Remediation Fund ("HDSRF") appropriations received – net of disbursements
$	(3.3) Million	Decline in Capital Assets from scheduled depreciation
$	(0.4) Million	Municipal Economic Recovery Initiative grant award payments
$	4.6 Million	Net receipts from CDBG-Disaster Recovery funds for the Stronger NJ Business programs
$	(3.5) Million	Petroleum Underground Storage Tank Program ("PUST") disbursements – net of appropriations received
$	2.4 Million	Net receipts relating to other Authority programs

During 2018, the Authority's combined net position decreased $2.8 million (or 0.5%) due to:

$	0.3	Million	Hazardous Discharge Site Remediation Fund ("HDSRF") appropriations received – net of disbursements
$	(5.3)	Million	Decline in Capital Assets from scheduled depreciation
$	(1.9)	Million	Municipal Economic Recovery Initiative grant award payments
$	12.0	Million	Net receipts from CDBG-Disaster Recovery funds for the Stronger NJ Business programs
$	(5.2)	Million	Program costs related to new Authority Strategic Plan and related initiatives
$	(2.8)	Million	Net disbursements relating to other Authority programs

Operating Activities. The Authority charges financing fees that may include an application fee, commitment fee, closing fee, document execution fee and an annual servicing fee. The Authority also charges an agency fee for the administration of financial programs for various government agencies; a program service fee for the administration of Authority programs that are service-provider based, rather than based on the exchange of assets such as the commercial lending program; and a real estate development fee for real estate activities undertaken on behalf of governmental entities and commercial enterprises. The Authority may also generate a return on investments in venture capital funds which invest, in whole or in part, in New Jersey based businesses. Interest income on investments, notes and intergovernmental obligations is recognized as earned. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority also earns income from operating leases and interest income on lease revenue from capital lease financings. Late fees are charged to borrowers who are delinquent in their monthly loan payments. All forms of revenue accrue to the benefit of the program for which the underlying source of funds is utilized. The Authority considers all activity to be operating activities, except as described in the following section.

Non-Operating Activities. The Authority earns interest on idle cash and investments and may derive income from the sale of capital assets, as well as the receipt of state and federal appropriations which are used to administer specific programs on behalf of the State of New Jersey, and which directly benefit New Jersey based businesses. The Authority considers this activity to be non-operating in nature.

The following table summarizes the changes in operating and non-operating activities between fiscal years 2019, 2018 and 2017:

	2019	2018	2017	% Increase/(Decrease) 2019/2018	2018/2017
Operating revenues:					
Financing fees	**$ 7,296,736**	$ 10,158,909	$ 20,885,394	(28.2)%	(51.4)%
Lease revenue	**8,775,690**	9,391,891	9,499,357	(6.6)%	(1.1)%
Interest income:					
Notes	**5,718,740**	5,226,030	5,133,351	9.4%	1.8%
Other	**31,114,103**	11,281,138	14,584,475	175.8%	(22.6)%
Total operating revenues	**52,905,269**	36,057,968	50,102,577	46.7%	(28.0)%
Operating expenses:					
Administrative expenses	**35,500,163**	34,832,148	35,798,608	1.9%	(2.7)%
Interest expense	**-**	38,375	120,438	(100.0)%	(68.1)%
Depreciation	**4,426,939**	5,180,660	5,318,830	(14.5)%	(2.6)%
Loss provisions – net	**6,980,276**	7,121,995	7,340,180	(2.0)%	(3.0)%
Program costs	**12,827,424**	12,541,276	7,550,307	2.3%	66.1%
Total operating expenses	**59,734,802**	59,714,454	56,128,363	0.0%	6.4%
Operating (loss) income	**(6,829,533)**	(23,656,486)	(6,025,786)	(71.1)%	(292.6)%
Nonoperating revenues and (expenses):					
Interest income – investments	**6,818,246**	4,593,548	3,175,991	48.4%	44.6%
State appropriations	**12,569,844**	22,391,323	27,008,772	(43.9)%	(17.1)%
Program payments	**(37,311,816)**	(46,047,970)	(76,876,079)	(19.0)%	(40.1)%
Federal appropriations	**21,266,933**	39,097,632	42,618,873	(45.6)%	(8.3)%
Gain on sale of assets	**-**	217,110	–	(100.0)%	100.0%
Other revenue (expense)	**4,607,826**	645,314	(890,424)	614.0%	(172.5)%
Total nonoperating revenues and (expenses), net	**7,951,033**	20,896,957	(4,962,867)	(62.0)%	521.1%
Change in net position	**1,121,500**	(2,759,529)	(10,988,653)	(140.6)%	74.9%
Beginning net position	**507,737,103**	510,496,632	521,485,285		
Ending net position	**$ 508,858,603**	$ 507,737,103	$ 510,496,632		

Operating Revenues

In 2019, the Authority's operating revenues were favorably impacted by an increase in distributions from specific venture fund investments in which the Authority is a limited partner. Such distributions totaled $19.9 million. This was offset by a decrease in finance fees of $2.9 million due to a decline in the volume of activity for specific incentive programs.

In 2018, the Authority's operating revenues were adversely impacted by a decrease in financing fees of $10.7 million, as the volume of activity in the Grow NJ incentive program declined. Other operating revenues were impacted by a decline in venture fund distributions, compared to the prior year. In 2017, the Authority's operating revenues were positively impacted by the receipt of $20.9 million in financing fees, led by activity in the bond and incentive programs. Other operating revenues were favorably impacted by the receipt of $7.3 million in venture fund distributions and warrants resulting from the Authority's capital investments.

Operating Expenses

In 2019, total operating expenses were level, due largely to a decrease in the Authority's proportionate share of the State's pension liability which was partially offset by an increase in program costs related to economic development strategy planning for the Authority, as well as disbursements to businesses for new initiatives. Additional costs were incurred related to the remediation and reuse of parcels of land located at the former Fort Monmouth military base. In 2018, total operating expenses increased by $3.6 million, with similar increases related to expenditures for strategic planning and the ongoing Fort Monmouth project.

Non-Operating Revenues and Expenses – Net

In 2019, non-operating revenues and expenses – net, decreased by $12.9 million, although still remained as net revenue, as federal appropriations related to the administration of the Stronger NJ Business programs declined by $17.8 million, due to declining program volume. This was partially offset by an increase of $2.2 million in interest income on cash and investments.

In 2018, non-operating revenues and expenses – net, increased favorably by $25.9 million. In 2017, non-operating revenues and expenses – net, decreased by $3.4 million. This is largely due to the fluctuation in, and timing of, Federal and State appropriations offset by program payments. In 2018, the Authority disbursed $46.0 million in program payments to qualified applicants, primarily under the Stronger NJ Business programs; in 2017, total program payments were $76.9 million, for a reduction in expenses of approximately $30.8 million.

Allowance for Credit Losses

Allowances for doubtful notes and guarantee payments are determined in accordance with guidelines established by the Office of the Comptroller of the Currency. The Authority accounts for its potential loss exposure through the use of risk ratings. These specifically assigned risk ratings are updated to account for changes in financial condition of the borrower or guarantor, delinquent payment history, loan covenant violations, and changing economic conditions.

The assigned risk rating classifications are consistent with the ratings used by the Office of the Comptroller of the Currency. Each risk rating is assigned a specific loss factor in accordance with the severity of the classification. Each month an analysis is prepared using the current loan balances, existing exposure on guarantees, and the assigned risk rating to determine the adequacy of the reserve. Any adjustments needed to adequately provide for potential credit losses (recoveries) are reported as a Loss Provision (Recovery).

The following table summarizes the Loan Allowance activity for the end of the period from December 31, 2017 through December 31, 2019:

2017 Provision for credit losses-net	$ 5,934,409	
2017 Write-offs	(1,147,121)	$ 4,787,288
December 31, 2017		
Allowance for loan losses	25,276,561	
Accrued guarantee losses	884,741	
Total allowance		26,161,302
2018 Provision for credit losses-net	5,985,375	
2018 Write-offs	(3,402,424)	2,582,951
December 31, 2018		
Allowance for loan losses	28,316,644	
Accrued guarantee losses	427,609	
Total allowance		28,744,253
2019 Provision for credit losses-net	6,368,872	
2019 Write-offs	(2,727,236)	3,641,636
December 31, 2019		
Allowance for loan losses	32,129,189	
Accrued guarantee losses	256,700	
Total allowance		$ 32,385,889

When management determines that the probability of collection is less than 50% of the remaining balance, it is the policy to assign a loss rating to the account. For an account rated as loss, a loss provision is recognized for the entire loan balance.

Loans are written-off against the loss allowance when it is determined that the probability of collection within the near term is remote. The recognition of a loss does not automatically release the borrower from the obligation to pay the debt. Should the borrower, guarantors, or collateral position improve in the future, any and all steps necessary to preserve the right to collect these obligations will be taken.

Aggregate gross loan and guarantee exposure at December 31, 2019 was $226,967,280, of which $223,024,680 or 98% is for loans and $3,942,600 for issued loan guarantees.

Aggregate gross loan and guarantee exposure at December 31, 2018 was $215,872,203, of which $208,977,158 or 97% is for loans and $6,895,045 for issued loan guarantees.

At December 31, 2019 the Authority maintained a Credit Loss Allowance of $32,385,889 or 14.3% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2019, were $2,727,236 or 1.2% of the loan and guaranty exposure.

At December 31, 2018 the Authority maintained a Credit Loss Allowance of $28,744,253 or 13.3% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2018, were $3,402,424 or 1.6% of the loan and guaranty exposure.

The Authority is a limited partner in various early stage venture funds with the purpose of providing venture capital to exceptionally talented entrepreneurs to facilitate the growth of these companies. These investments are accounted for using the cost basis as they do not have a readily determinable market value. The Authority will establish a valuation allowance for these investments when they determine through a series of events that an other-than-temporary decrease in value has occurred.

The 2019 Loss Provisions – Net, of $6.5 million, are related to the following detailed information:

$	6,368,872	Loan and Guarantee Program activity
$	170,680	Venture Capital Funds and Capital Investments

The 2018 Loss Provisions – Net, of $6.5 million, are related to the following detailed information:

$	5,985,375	Loan and Guarantee Program activity
$	506,514	Venture Capital Funds and Capital Investments

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Authority independently, or in cooperation with a private or governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed, and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for the municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities. For the majority of these leases, future minimum lease rental payments are equal to the debt service payments related to the bonds or notes issued for the applicable property.

The following table summarizes the change in Capital Assets-Net between fiscal year 2019, 2018 and 2017:

	2019	2018	2017	% Increase/(Decrease) 2019/2018	2018/2017
Land	**$ 28,818,065**	$ 28,818,065	$ 28,983,065	0.0%	(0.6)%
Construction in progress	**-**	–	240,951	0.0%	(100.0)%
Total non-depreciable capital assets	**28,818,065**	28,818,065	29,224,016	0.0%	(1.4)%
Building	**81,722,446**	81,722,446	81,722,446	0.0%	0.0%
Leasehold improvements	**36,306,634**	35,210,658	34,933,205	3.1%	0.8%
Total depreciable capital assets	**118,029,080**	116,933,104	116,655,651	0.9%	0.2%
Less accumulated depreciation	**(93,523,252)**	(89,096,313)	(83,915,652)	5.0%	6.2%
Capital assets – net	**$ 53,323,893**	$ 56,654,856	$ 61,964,015	(5.9)%	(8.6)%

More detailed information about the Authority's capital assets is presented in the Notes to the financial statements.

Capital Debt. At year end, the Authority had no gross note principal outstanding; unchanged from the prior year. More detailed information about the Authority's capital debt is presented in the Notes to the financial statements.

The following table summarizes the changes in capital debt between fiscal year 2019, 2018 and 2017:

	2019	2018	2017	% (Decrease) 2019/2018	2018/2017
Notes payable	**$ –**	$ –	$ 1,126,654	0.0%	(100.0)%

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional information, contact Customer Care at (609) 858-6700, CustomerCare@njeda.com, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.com.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position

	December 31	
	2019	**2018**
Assets		
Current assets:		
Cash and cash equivalents – restricted	**$ 47,347,369**	$ 46,617,392
Cash and cash equivalents – unrestricted	**27,939,877**	35,456,930
Investments	**51,919,603**	52,153,868
Receivables:		
Notes	**17,043,315**	12,067,867
Accrued interest on notes	**168,999**	208,330
Accrued interest on investments	**1,221,274**	1,122,110
Leases	**100,000**	100,000
Other receivables	**2,033,737**	3,599,028
Total receivables	**20,567,325**	17,097,335
Prepaids and other current assets	**1,184,752**	979,563
Total current assets	**148,958,926**	152,305,088
Noncurrent assets:		
Investments – unrestricted	**185,989,814**	174,535,126
Venture capital partnerships	**9,520,862**	9,198,636
Receivables:		
Notes	**205,980,967**	196,909,291
Accrued interest on notes	**480,511**	5,794,786
Unamortized discount	**(171,518)**	(256,082)
Total notes receivables	**206,289,960**	202,447,995
Allowance for doubtful notes	**(32,129,189)**	(28,316,644)
Net notes receivable	**174,160,771**	174,131,351
Leases receivable, net	**6,829,088**	6,810,074
Total receivables	**180,989,859**	180,941,425
Net other postemployment benefits asset	**20,336,444**	221,957
Prepaids and other noncurrent assets	**530,837**	706,504
Non-depreciable capital assets	**28,818,065**	28,818,065
Depreciable capital assets, net	**24,505,828**	27,836,791
Total capital assets, net	**53,323,893**	56,654,856
Total noncurrent assets	**450,691,709**	422,258,504
Total assets	**599,650,635**	574,563,592
Deferred outflows of resources		
Deferred outflows from pension	**10,270,840**	16,891,150
Deferred outflows from OPEB	**118,214**	1,868,724
Total deferred outflows of resources	**10,389,054**	18,759,874

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position (continued)

	December 31	
	2019	**2018**
Liabilities		
Current liabilities:		
Accrued liabilities	**$ 8,701,795**	$ 4,613,625
Pension payable	**2,242,154**	2,324,943
Unearned lease revenues	**1,217,416**	1,272,288
Escrow deposits	**3,045,863**	3,573,241
Total current liabilities	**15,207,228**	11,784,097
Noncurrent liabilities:		
Net pension liability	**41,533,862**	46,021,947
Unearned lease revenues	**5,797,162**	6,850,011
Accrued guarantee losses	**256,700**	427,609
Compensated absences	**1,221,858**	1,173,849
Total noncurrent liabilities	**48,809,582**	54,473,416
Total liabilities	**64,016,810**	66,257,513
Deferred inflows of resources		
Deferred inflows from pension	**16,307,759**	15,972,223
Deferred inflows from OPEB	**20,856,517**	3,356,627
Total deferred inflows of resources	**37,164,276**	19,328,850
Net position		
Net investment in capital assets	**53,323,893**	56,654,856
Restricted by Federal agreement	**35,304,801**	34,125,434
Unrestricted	**420,229,909**	416,956,813
Total net position	**$ 508,858,603**	$ 507,737,103

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Revenues, Expenses and Changes in Net Position

	Year Ended December 31	
	2019	**2018**
Operating revenues		
Financing fees	**$ 7,296,736**	$ 10,158,909
Interest income – notes	**5,718,740**	5,226,030
Financing lease revenue	**119,014**	119,014
Operating lease revenue	**8,656,676**	9,272,877
Agency fees	**1,961,659**	1,931,824
Program services	**3,200,313**	3,518,762
Real estate development	**2,479,400**	880,486
Distributions and warrants	**20,053,568**	2,833,359
Other	**3,419,163**	2,116,707
Total operating revenue	**52,905,269**	36,057,968
Operating expenses		
Salaries and benefits	**29,833,726**	29,798,735
General and administrative	**5,666,437**	5,033,413
Interest	**-**	38,375
Program costs	**12,827,424**	12,541,276
Depreciation	**4,426,939**	5,180,660
Loss provisions – net	**6,980,276**	7,121,995
Total operating expenses	**59,734,802**	59,714,454
Operating loss	**(6,829,533)**	(23,656,486)
Nonoperating revenues (expenses)		
Interest income – investments	**6,818,246**	4,593,548
Unrealized gain in investment securities	**4,607,826**	645,314
Gain on sale of assets – net	**-**	217,110
State appropriations	**12,569,844**	22,391,323
Federal appropriations	**21,266,933**	39,097,632
Program payments	**(37,311,816)**	(46,047,970)
Nonoperating revenues (expenses) – net	**7,951,033**	20,896,957
Change in net position	**1,121,500**	(2,759,529)
Net position – beginning of year	**507,737,103**	510,496,632
Net position – end of year	**$ 508,858,603**	$ 507,737,103

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows

	Year Ended December 31	
	2019	**2018**
Cash flows from operating activities		
Cash receipts from financing fees	**$ 8,912,159**	$ 8,543,486
Interest from notes	**5,086,737**	4,568,876
Lease rents	**8,224,157**	7,697,468
Agency fees	**1,962,191**	1,923,743
Program services	**6,576,913**	5,347,156
Distributions	**-**	273,793
Real estate development	**2,388,192**	1,092,435
General and administrative expenses paid	**(34,642,655)**	(33,922,843)
Program costs paid	**(12,954,792)**	(9,079,546)
Collection of notes receivable	**24,477,952**	26,645,273
Loans disbursed	**(35,296,463)**	(39,872,183)
Deposits received	**7,779,758**	12,126,963
Deposits released	**(8,307,136)**	(12,257,845)
Net cash used in operating activities	**(25,792,987)**	(26,913,224)
Cash flows from noncapital financing activities		
Appropriations received	**33,494,722**	61,698,055
Program payments	**(33,059,981)**	(48,419,872)
Net cash provided by noncapital financing activities	**434,741**	13,278,183
Cash flows from capital and related financing activities		
Payment of bonds and notes	**-**	(1,126,654)
Interest paid on bonds and notes	**-**	(38,375)
Purchase of capital assets	**(1,095,976)**	(36,502)
Sale of capital assets	**-**	382,110
Net cash used in capital and related financing activities	**(1,095,976)**	(819,421)
Cash flows from investing activities		
Interest from investments	**6,719,080**	4,381,297
Return on capital investments	**19,560,663**	2,676,845
Purchase of investments	**(7,861,106)**	(3,559,720)
Proceeds from sales and maturities of investments	**1,248,509**	2,262,269
Net cash provided by investing activities	**19,667,146**	5,760,691
Net decrease in cash and cash equivalents	**(6,787,076)**	(8,693,771)
Cash and cash equivalents – beginning of year	**82,074,322**	90,768,093
Cash and cash equivalents – end of year	**$ 75,287,246**	$ 82,074,322

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Statements of Cash Flows (continued)

	Year Ended December 31 2019	2018
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	**$ (6,829,533)**	$ (23,656,486)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Loss provisions-net	**6,980,276**	7,121,995
Depreciation	**4,426,939**	5,180,660
Amortization of discounts	**(458,385)**	(610,226)
Cash provided by nonoperating activities	**-**	38,374
Change in assets and liabilities:		
Notes receivables	**(16,824,748)**	(13,223,407)
Accrued interest receivables-notes	**5,353,606**	(378,566)
Lease payment receivables	**100,000**	100,000
Other receivables	**1,588,677**	2,039,790
Prepaids and other noncurrent assets	**(238,825)**	(20,407)
Capital investments	**(20,053,568)**	(2,559,566)
Accrued liabilities	**1,622,639**	606,342
Unearned lease revenues	**(1,107,721)**	(1,211,745)
Deposits	**(527,378)**	(130,882)
Other liabilities	**175,064**	(209,100)
Net cash used in operating activities	**$ (25,792,987)**	$ (26,913,224)
Noncash investing activities		
Unrealized gain in investment securities	**$ 4,607,826**	$ 645,314

See accompanying notes.

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Notes to Financial Statements

December 31, 2019 and 2018

Note 1: Nature of the Authority

The New Jersey Economic Development Authority ("Authority") is a public body corporate and politic, constituting an instrumentality and component unit of the State of New Jersey ("State"). The Authority was established by Chapter 80, P.L. 1974 ("Act") on August 7, 1974, as amended and supplemented, primarily to provide financial assistance to companies for the purpose of maintaining and expanding employment opportunities in the State and increasing tax ratables in underserved communities. The Act prohibits the Authority from obligating the credit of the State in any manner. The Authority assists for-profit and non-profit enterprises with access to capital and primarily offers the following products and services:

(a) Bond Financing

The Authority issues tax-exempt private activity bonds and taxable bonds. The proceeds from these single issue or composite series bonds are used to provide long-term, below-market interest loans to eligible entities, which include certain 501(c)(3) nonprofit organizations, manufacturers, exempt public facilities, solid waste facilities, and local, county, and State governmental agencies for capital improvements including real estate acquisition, equipment, machinery, building construction and renovations. All such bonds are special conduit debt obligations of the Authority, are payable solely from the revenues pledged with respect to the issue, and do not constitute an obligation against the general credit of the Authority.

(b) Loans/Guarantees/Investments and Tax Incentives

The Authority directly provides loans, loan participations, loan guarantees and line of credit guarantees to for-profit and not-for-profit enterprises for various purposes to include: the acquisition of fixed assets; building construction and renovation; financing for working capital; technological development; and infrastructure improvements. The Authority also may provide financial assistance in the form of convertible debt and take an equity position in technology and life sciences companies through warrant options. In addition to lending and investing its own financial resources, the Authority administers several business growth programs supported through State appropriation/allocation, including the technology business tax certificate transfer program, the angel investor tax credit program, tax credits for film industry and digital media projects, job creation and retention incentive grants and tax credits, tax credits for capital investment in urban areas, and reimbursement grants based on incremental revenues generated by redevelopment projects. Other state mandated programs include loans/grants to support hazardous discharge site remediation and petroleum underground storage tank remediation.

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Notes to Financial Statements (continued)

(c) Real Estate Development

The Authority independently, or in cooperation with a private or another governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed, and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities.

(d) Stronger NJ Business Programs

In 2013, the Authority was awarded a sub-grant from the New Jersey Department of Community Affairs for the purpose of administering a portion of the State's Community Development Block Grant Disaster Recovery allocation to support the recovery of businesses impacted by Superstorm Sandy. To achieve this, the Authority may provide grants and loans to eligible businesses, as well as financial assistance to governmental entities to support community development, neighborhood revitalization and other public improvement projects.

Related-Party Transactions

The Authority has contracted with several other State entities to administer certain loan programs on their behalf for a fee. In order for the Authority to effectively administer the programs, the Authority has custody of the cash accounts for each program. The cash in these accounts, however, is not an asset of the Authority and, accordingly, the balances in these accounts have not been included in the Authority's statements of net position. The cash balances total $42,817,224 and $42,608,070 at December 31, 2019 and 2018, respectively. The following is a summary of the programs that the Authority manages on behalf of other State entities:

Department/Board	Program	2019	2018
Treasury	Local Development Financing Fund	**$ 42,693,983**	$ 41,192,516
Board of Public Utilities	BPU Clean Energy Program	**123,241**	1,415,554

Note 2: Summary of Significant Accounting Policies

(a) Basis of Accounting and Presentation

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. While detailed sub-fund information is not presented,

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Notes to Financial Statements (continued)

separate accounts are maintained for each program and include certain funds that are legally designated as to use. Administrative expenses are allocated to the various programs.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB").

(b) Revenue Recognition

The Authority charges various program financing fees that may include an application fee, commitment fee, closing fee, issuance fee, annual servicing fee and a document execution fee. The Authority also charges a fee for the administration of financial programs for various government agencies and for certain real estate development and management activities. Fees are recognized when earned. Grant revenue is recognized when the Authority has complied with the terms and conditions of the grant agreements. The Authority recognizes interest income on lease revenue by amortizing the discount over the life of the related agreement. Operating lease revenue is recognized pursuant to the terms of the lease.

When available, it is the Authority's policy to first use restricted resources for completion of specific projects.

(c) Cash Equivalents

Cash equivalents are highly liquid debt instruments with original maturities of three months or less and units of participation in the State of New Jersey Cash Management Fund ("NJCMF").

(d) Investments

All investments, except for investment agreements, are stated at fair value. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. The Authority also invests in various types of joint ventures and uses the cost method to record the acquisition of such investments, as the Authority lacks the ability to exercise significant control in the ventures. Under the cost method, the Authority records the investment at its historical cost and recognizes as income dividends received from net earnings of the Fund. Dividends received in excess of earnings are considered a return of investment and reduce the cost basis. These investments typically have a long time horizon from when the Authority makes its initial investment to when it may receive any return on the investment. The Authority maintains a valuation allowance on specific investments when there is either a series of taxable losses or other factors may indicate that a decrease in value has occurred that is other than temporary. Capital investments are reported net of this valuation allowance.

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Notes to Financial Statements (continued)

(e) Guarantees Receivable

Payments made by the Authority under its various guarantee programs are reported as Guarantees Receivable. These receivables are expected to be recovered either from the lender, as the lender continues to service the loan, or from the liquidation of the underlying collateral. Recoveries increase Worth (the amount on deposit and available for payment) (see Note 7).

(f) Allowance for Doubtful Notes and Accrued Guarantee Losses

Allowances for doubtful notes and accrued guarantee losses are determined in accordance with guidelines established by the Office of Comptroller of Currency. These guidelines include classifications based on routine portfolio reviews of various factors that impact collectability.

(g) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employee Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(h) Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB asset/(liability), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Employee Benefit Trust (the "Trust") and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(i) Operating and Non-Operating Revenues and Expenses

The Authority defines operating revenues and expenses as relating to activities resulting from providing bond financing, direct lending, incentives, and real estate development to commercial businesses, certain not-for-profit entities, and to local, county and State governmental entities. Non-operating revenues and expenses include income earned on the investment of funds, proceeds from the sale of certain assets, State and Federal appropriations and program payments.

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Notes to Financial Statements (continued)

(j) Net Position

The Authority classifies its Net Position into three categories: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets includes capital assets net of accumulated depreciation used in the Authority's operations as well as capital assets that result from the Authority's real estate development and operating lease activities. Restricted net position includes net position that have been restricted in use in accordance with State law, as well as Federal grant proceeds intended for specific projects, such as the State Small Business Credit Initiative ("SSBCI"). Unrestricted net position includes all net position not included above.

(k) Taxes

The Authority is exempt from all Federal and State income taxes and real estate taxes.

(l) Capitalization Policy

Unless material, it is the Authority's policy to expense all expenditures of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations, such as automobiles, information technology hardware and software, office furniture, and equipment.

With the exception of immaterial tenant fit-out costs of retail space that is sublet from the State of New Jersey, the Authority capitalizes all expenditures related to the acquisition of land, construction and renovation of buildings.

(m) Depreciation Policy

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets:

Building	20 years
Building improvements	20 years
Camden Amphitheater, per terms of agreement	31 years
Leasehold improvements	Term of the lease
Tenant fit-out	Term of the lease
Vehicles	Expensed
Furniture and equipment	Expensed

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Notes to Financial Statements (continued)

(n) Recent and Upcoming Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities,* was issued in January 2017. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The Statement, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95) is effective for fiscal years beginning after December 15, 2019. The Authority is in the process of evaluating the impact of its adoption on the financial statements.
GASB Statement No. 87, *Leases*, was issued in June 2017. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Statement, as amended by GASB 95, is effective for fiscal years beginning after June 15, 2021. The Authority is in the process of evaluating the impact of its adoption on the financial statements.
GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

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Notes to Financial Statements (continued)

The Statement, as amended by GASB 95, is effective for fiscal years beginning after June 15, 2020. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* was issued in June 2018. The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraph 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1980 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

The Statement, as amended by GASB 95, is effective for fiscal years beginning after December 15, 2020. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 90*, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61,* was issued in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the

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Notes to Financial Statements (continued)

equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The Statement, as amended by GASB 95, is effective for fiscal years beginning after December 15, 2019. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 91*, Conduit Debt Obligations,* was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The Statement, as amended by GASB 95, is effective for reporting periods beginning after December 15, 2021. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 92*, Omnibus 2020,* was issued in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases,* and Implementation Guide No. 2019-3, *Leases,* for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan

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Notes to Financial Statements (continued)

- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities,* to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements related to all other items, as amended by GASB 95, are effective for fiscal years beginning after June 15, 2021. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 93*, Replacement of Interbank Offered Rates,* was issued in March 2020. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement, as amended by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94*, Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* was issued in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like

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Notes to Financial Statements (continued)

transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 95*, Postponement of the Effective Dates of Certain Authoritative Guidance,* was issued in May 2020. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the previous pronouncements are postponed by one year. The effective date for GASB 87 is postponed by 18 months.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, *Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued in June 2020. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee

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Notes to Financial Statements (continued)

benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities,* be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans,* or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of *all* Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

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Notes to Financial Statements (continued)

(O) Reclassifications

Certain reclassifications have been made to prior year balances to conform to current year presentation.

Note 3: Deposits and Investments

(a) Deposits

Operating cash is held in the form of Negotiable Order of Withdrawal (“NOW”) accounts and money market accounts. At December 31, 2019, the Authority’s bank balance was $22,119,093. Of the bank balance, $750,000 was insured with Federal Deposit Insurance.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (“GASB 40”), the Authority’s NOW accounts, as well as money market accounts and certificates of deposit, are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Authority would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uninsured, uncollateralized (securities are not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the government’s (NJEDA) name. At December 31, 2019 and 2018, all of the Authority’s deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

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Notes to Financial Statements (continued)

Cash deposits at December 31, 2019 and 2018 were as follows:

Deposit Type	2019	2018
NOW Accounts	**$ 12,749,498**	$ 10,057,615
Money Market Accounts	**9,369,595**	9,267,940
Total deposits	**$ 22,119,093**	$ 19,325,555

(b) Investments

Pursuant to the Act, the funds of the Authority may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Authority may approve. Accordingly, the Authority directly purchases permitted securities and enters into interest-earning investment contracts.

As of December 31, 2019, the Authority's total investments, excluding capital investments, amounted to $237,909,417. The Authority's investment portfolio ("Portfolio") is comprised of short to medium term bonds and is managed by a financial institution for the Authority. These investments include obligations guaranteed by the U.S. Government, Government Sponsored Enterprises, Money Market Funds, Corporate Debt rated at least A- by Standard & Poor's ("S&P") or equivalent by Moody's and Repurchase Agreements. The Portfolio is managed with the investment objectives of: preserving capital, maintaining liquidity, achieving superior yields, and providing consistent returns over time. In order to limit interest rate risk, investments are laddered, with maturities ranging from several months to a maximum of five years.

Investment of bond proceeds is made in accordance with the Authority's various bond resolutions. The bond resolutions generally permit the investment of funds held by the trustee in the following: (a) obligations of, or guaranteed by, the State or the U.S. Government; (b) repurchase agreements secured by obligations noted in (a) above; (c) interest-bearing deposits, in any bank or trust company, insured or secured by a pledge of obligations noted in (a) above; (d) State of New Jersey Cash Management Fund (NJCMF); (e) shares of an open-end diversified investment company which invests in obligations with maturities of less than one year of, or guaranteed by, the U.S. Government or Government Agencies; and (f) non-participating guaranteed investment contracts.

In order to maximize liquidity, the Authority utilizes the NJCMF as an investment. All investments in the NJCMF are governed by the regulations of the State of New Jersey, Department of Treasury, Division of Investment, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. The NJCMF invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments

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include: U.S. Treasuries; short-term commercial paper; U.S. Agency Bonds; Corporate Bonds; and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2019 and 2018, the Authority's balance in the NJCMF is $51,919,644 and $60,486,499, respectively. The fair value is measured based on net asset value ("NAV") which approximates $1 per share.

Custodial Credit Risk

Pursuant to GASB 40, the Authority's investments are profiled to determine if they are exposed to custodial credit risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government (NJEDA), and are held by either: the counterparty (institution that pledges collateral to government or that buys/sells investments for government) or the counterparty's trust department or agent but not in the name of the government. Investment pools such as the NJCMF and open-ended mutual funds including Mutual Bond Funds are deemed not to have custodial credit risk. As of December 31, 2019 and December 31, 2018, no investments are subject to custodial credit risk as securities in the Portfolio are held in the name of the Authority.

Concentration of Credit Risk

The Authority does not have an investment policy regarding concentration of credit risk, however, the Authority's practice is to limit investments in certain issuers. No more than 5% of the Authority funds may be invested in individual corporate and municipal issuers; and no more than 10% in individual U.S. Government Agencies. At December 31, 2019 none of the Authority's individual investments comprised more than 5% of the Authority's total investments. Investments issued by or guaranteed by the U.S. Government, mutual fund investments, and pooled investments are exempt from this requirement.

Credit Risk

The Authority does not have an investment policy regarding the management of credit risk, as outlined above. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. Government. All investments in U.S. Agencies are rated Aaa by Moody's and AA+ by S&P. The mutual bond fund was rated AAA by S&P. Corporate bonds were rated BBB+/A-/A/A+/AA-/AA/AAA, by S&P. Municipal bonds were rated AA by S&P and Aa1 by Moody's. The certificates of deposit were rated A-1/AA- by S&P. The NJCMF is not rated.

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Interest Rate Risk

The Authority does not have a policy to limit interest rate risk, however, its practice is to hold investments to maturity.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets;
- Level 2 – quoted prices other than those included within Level 1 and other inputs that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for an asset or liability.

As of December 31, 2019 and 2018, the Authority had the following investments and maturities:

		December 31, 2019			
Investment Type	**Level**	**Fair Value**	**Investments Less than 1 Year**	**Maturities 1–5 Years**	**Fair Value as of December 31, 2018**
Investments by fair value level					
Debt Securities:					
U.S. Treasuries	2	**$ 126,576,050**	$ 22,267,211	$ 104,308,839	$ 120,521,188
U.S. Agencies	2	**22,735,231**	21,730,938	1,004,293	36,961,662
Corporate Bonds	2	**72,369,109**	3,327,709	69,041,400	59,676,460
Municipal Bonds	2	**8,381,866**	-	8,381,866	6,206,924
Certificate of deposit	2	**7,847,161**	3,345,236	4,501,925	3,322,760
Mutual Bond Funds	1	**1,248,509**	1,248,509	-	2,262,269
Total investments by fair value level		**239,157,926**	$ 51,919,603	$ 187,238,323	228,951,263
Investment Pool at NAV					
State of NJ Cash Management Fund		**51,919,644**			60,486,499
Total investments measured at fair value		**291,077,570**			289,437,762
Less amounts reported as cash equivalents		**(53,168,153)**			(62,748,768)
Total investments		**$ 237,909,417**			$ 226,688,994

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

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Notes to Financial Statements (continued)

(c) Special Purpose Investments

Pursuant to the Authority's mission, from time to time, in order to expand employment opportunities in the State and to spur economic development opportunities, the Authority, with the authorization of the Board, will make special purpose investments. These special purpose investments include the Authority's participation as a limited partner in various venture funds formed with the primary purpose of providing venture capital to exceptionally talented entrepreneurs dedicated to the application of proprietary technologies or unique services in emerging markets and whose companies are in the expansion stage. At December 31, 2019 and 2018, the aggregate value of the Authority's investment in these funds is $9,520,862 and $9,198,636, respectively. As a limited partner, the Authority receives financial reports from the managing partner of the funds, copies of which may be obtained by contacting the Authority. For the purpose of financial reporting, the ownership in stock or equity interest in connection with economic development activities, such as providing venture capital, does not meet the definition of an investment because the asset is held primarily to further the economic development objectives of the Authority. Accordingly, the Authority uses the cost method as the measurement basis.

At December 31, 2019, the Authority also held other equity investments of $2,658. The investments were held in the form of stock.

Note 4: Notes Receivable

Notes receivable consist of the following:

	December 31	
	2019	**2018**
Economic Development Fund ("EDF") loan program; interest ranging up to 7.5%; maximum term of 11 years	**$ 49,213,103**	$ 54,626,351
Economic Recovery Fund ("ERF") loan and guarantee programs; interest ranging up to 9.8%; maximum term of 19 years	**97,487,652**	78,060,270
Hazardous Discharge Site Remediation ("HDSR") loan program; interest ranging up to 5.0%; maximum term of 5 years	**1,871,172**	2,156,333
Municipal Economic Recovery Initiative ("MERI") loan program; interest ranging up to 3.0%; maximum term of 8 years	**227,447**	254,647
Stronger NJ Business (SNJ) loan program; interest ranging up to 2.62%; maximum term of 30 years	**74,224,908**	73,879,557
	$ 223,024,282	$ 208,977,158

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Aggregate Notes Receivable activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Loan Disbursements	Loan Receipts	Write-offs, Adjustments, Restructures – Net	Ending Balance	Amounts Due Within One Year
EDF/ERF	$ 132,686,621	$ 29,140,582	$ (21,111,618)	$ 5,985,170	$ 146,700,755	$ 12,686,505
HDSR	2,156,333	49,395	(203,731)	(130,825)	1,871,172	56,988
MERI	254,647	-	(27,200)	-	227,447	28,127
SNJ	73,879,557	6,106,486	(3,135,403)	(2,625,732)	74,224,908	4,271,695
	$ 208,977,158	$ 35,296,463	$ (24,477,952)	$ 3,228,613	$ 223,024,282	$ 17,043,315

Note 5: Leases

(a) Leases Receivable

The Authority has a financing lease relating to the issuance of Bonds and Notes Payable. Bond and Note proceeds finance specific projects. The financing lease provides for basic rental payments, by the tenant to the Authority, in an amount at least equal to the amount of debt service on the Bonds and Notes. In the event of default by the tenant to make rental payments, the Authority generally has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

The outstanding lease is as follows:

Lease Description	2019	2018
NY Daily News, through January 23, 2021	**$ 7,048,102**	$ 7,148,102
Unamortized discount	**(119,014)**	(238,028)
Aggregate lease payments receivable – net	**$ 6,929,088**	$ 6,910,074

Aggregate lease receipts due through 2021 are as follows:

2020	$ 100,000
2021	6,948,102
	$ 7,048,102

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Notes to Financial Statements (continued)

Lease payments receivable activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross receivable	$ 7,148,102	$ (100,000)	$ 7,048,102	$ 100,000
Discount	(238,028)	119,014	(119,014)	
Net receivable	$ 6,910,074	$ 19,014	$ 6,929,088	

(b) Operating Leases

(i) Authority as Lessor

At December 31, 2019, capital assets with a carrying value of $135,914,443 and accumulated depreciation of $84,698,174 are leased to commercial enterprises. These leases generally provide the tenant with renewal and purchase options. Aggregate minimum lease receipts are expected as follows:

2020	$ 7,229,488
2021	5,562,503
2022	4,782,066
2023	3,924,809
2024	3,931,590
2025–2029	3,047,960
2030–2034	420,200
2035–2039	420,200
2040–2044	420,200
	$ 29,739,016

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(ii) Authority as Lessee

The Authority leases commercial property, buildings, and office space for use by Authority staff. Aggregate rental expense for the current year amounted to $113,373. Aggregate future lease obligations are as follows:

2020	$ 445,466
2021	481,519
2022	470,177
2023	482,387
2024	494,915
	$2,374,464

Note 6: Capital Assets

Capital asset activity for the years ended December 31, 2019 and 2018 was as follows:

	December 31, 2018	Additions	Reductions	December 31, 2019
Capital assets not being depreciated:				
Land	$ 28,818,065	$ -	$ -	**$ 28,818,065**
Capital assets being depreciated:				
Buildings	81,722,446	-	-	**81,722,446**
Leasehold improvements	35,210,658	1,095,976	-	**36,306,634**
Capital assets – gross	145,751,169	1,095,976	-	**146,847,145**
Less: accumulated depreciation	89,096,313	4,426,939	-	**93,523,252**
Capital assets – net	$ 56,654,856	$ (3,330,963)	$ -	**$ 53,323,893**

	December 31, 2017	Additions	Reductions	December 31, 2018
Capital assets not being depreciated:				
Land	$ 28,983,065	$ -	$ (165,000)	$ 28,818,065
Construction in progress	240,951	-	(240,951)	-
Capital assets being depreciated:				
Buildings	81,722,446	-	-	81,722,446
Leasehold improvements	34,933,205	277,453	-	35,210,658
Capital assets – gross	145,879,667	277,453	(405,951)	145,751,169
Less: accumulated depreciation	83,915,652	5,180,661	-	89,096,313
Capital assets – net	$ 61,964,015	$ (4,903,208)	$ (405,951)	$ 56,654,856

In 2019, the Authority incurred fit-out costs, in the form of leasehold improvements for rental office space for Authority staff in the City of Newark, Essex County.

In 2018, the Authority sold a parcel of land in Logan Township, Gloucester County, which it had acquired as collateral on a commercial loan several years earlier.

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Note 7: Commitments and Contingencies

(a) Loan and Bond Guarantee Programs

The Authority has a special binding obligation regarding all guarantees to the extent that funds are available in the guarantee accounts as specified in the guarantee agreements. Guarantees are not, in any way, a debt or liability of the State.

(1) Economic Recovery Fund

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 5 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the guarantee program account. Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2019, Debt was $3,329,641 and Worth was $178,313,162, with a ratio of 0.02 to 1.

(2) New Jersey Business Growth Fund

The Authority guarantees between 25% and 50% of specific, low-interest loans to New Jersey companies, made by one of its preferred lenders, with a maximum aggregate exposure to the Authority not to exceed $10 million and, at no time will the Authority pay more than $10 million, net, of guarantee demands. At December 31, 2019, aggregate exposure and related Worth within the Business Growth Fund account are both $530,554.

(3) New Jersey Global Growth Fund

The Authority guarantees up to 50% of any approved term loan or line of credit to New Jersey companies, made by one of its premier lenders, with a maximum aggregate exposure to the Authority not to exceed $10 million and, at no time will the Authority pay more than $10 million, net, of guarantee demands. At December 31, 2019, aggregate exposure and related Worth within the NJ Global Growth Fund account are both $10,000,000.

(4) State Small Business Credit Initiative Fund

The Federal grant agreement restricts the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt to Worth ratio is greater than 1 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the State Small Business Credit Initiative Fund. At December 31, 2019, the Fund had no Debt, and Worth was $2,445,756.

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(b) Loan Program Commitments and Project Financings

At December 31, 2019, the Authority has $12,325,797 of loan commitments not yet closed or disbursed and $64,585,217 of project financing commitments.

(c) New Markets Tax Credit Program

On December 28, 2005, the Authority loaned $31,000,000 to a limited liability company ("company"), to facilitate their investment in a certified community development entity ("entity") whose primary mission is to provide loan capital for commercial projects in low-income areas throughout New Jersey. The company also received an equity investment from a private corporation ("corporation"). The company then invested the combined proceeds in the entity, which was awarded an allocation in Federal tax credits under the New Markets Tax Credit Program.

As part of the remaining agreements, the corporation will claim the Federal tax credits in exchange for their investment. Claiming these credits carries the risk of recapture, whereby an event occurs that would negate the credit taken, causing it to be returned with interest. Based on the agreements between the Authority and the respective companies, the Authority will provide a guaranty to the corporation against adverse consequences caused by a recapture event. As of December 31, 2019, the aggregate exposure to the Authority for the remaining transactions described above is none. The Authority has determined the likelihood of paying on the guaranty, at this time, is remote.

Note 8: State and Federal Appropriations and Program Payments

The Authority receives appropriations from the State of New Jersey, as part of the State's annual budget, for purposes of administering certain grant programs enacted by State statute, and has also received appropriations from the United States Department of Housing and Urban Development, as well as the Federal Emergency Management Agency, via the State of New Jersey, for purposes of administering certain loan and grant programs for businesses in connection with the aftermath of Superstorm Sandy in October 2012. The Authority recognizes the disbursement of these funds to grantees as program payments. For the year ended December 31, 2019 state and federal appropriations and program payments were $12,569,844, $21,266,933, and $37,311,816, respectively.

Note 9: Litigation

The Authority is involved in several lawsuits that, in the opinion of the management of the Authority, will not have a material effect on the accompanying financial statements.

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Note 10: Employee Benefits

(a) Public Employees Retirement System of New Jersey ("PERS")

The Authority's employees participate in the PERS, a cost sharing multiple-employer defined benefit plan administered by the State. The Authority's contribution is based upon an actuarial computation performed by the PERS. Employees of the Authority are required to participate in the PERS and contribute 7.50% in 2019 of their annual compensation. The PERS also provides death and disability benefits. All benefits and contribution requirements are established, or amended, by State statute.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after a minimum of 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60, and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62, and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions Made

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate is 7.50% as of December 31, 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Authority's contractually required contribution rate for the year ended December 31, 2019 and 2018 was 12.52% and 14.12%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contractual contributions to the pension plan from the Authority were $2,242,154 and $2,194,698 for the years ended December 31, 2019 and 2018, respectively.

Based on the recommendation of the State of New Jersey Department of the Treasury, the investment rate of return used to calculate the actuarially determined contribution effective with the July 1, 2019 valuation was 7.30% per annum (reduced from 7.50% per annum for the July 1, 2018 valuation and expected to decrease to 7.00% effective with July 1, 2021 valuation). The actuarially determined employer contribution amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

GASB 68 requires the Authority to recognize a net pension liability for the difference between the present value of the projected benefits for past service, known as the Total Pension Liability ("TPL"), and the restricted resources held in trust for the payment of pension benefits, known as the Fiduciary Net Position ("FNP").

At December 31, 2019 and 2018, the Authority reported a liability of $41.5 million and $46.0 million for its proportionate share of the net pension liability for PERS, respectively. The net pension liability was measured as of June 30, 2019 and June 30, 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2018 and July 1, 2017. The actuarial valuations were rolled forward to June 30, 2019 and June 30, 2018 using update procedures. The Authority's proportion of the net pension liability was based on a projection of the long-term share of contribution to the pension

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plans relative to the projected contributions of all participating State agencies, actuarially determined. At December 31, 2019, the Authority's proportion was .23051% which was a decrease of .00323% from its proportion measured as of December 31, 2018.

For the years ended December 31, 2019 and 2018, the Authority recognized pension expense of $4,709,915 and $5,263,030 for PERS, respectively. Pension expense is reported in the Authority's financial statements as part of salaries and benefits expense.

At December 31, 2019 and 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2019		2018	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Net difference between projected and actual earnings on pension plan investments	**$ -**	**$ 655,628**	$ –	$ 431,688
Changes of assumptions or other inputs	**4,147,309**	**14,416,272**	7,583,655	14,715,371
Changes in proportion	**3,135,899**	**1,052,381**	6,104,907	587,860
Difference between expected and actual experience	**745,478**	**183,478**	877,645	237,304
Contributions subsequent to the measurement date	**2,242,154**	**-**	2,324,943	–
	$ 10,270,840	**$ 16,307,759**	$ 16,891,150	$ 15,972,223

Deferred outflows of resources of $2,242,154 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year 1 (2020)	$ 951,574
Year 2 (2021)	(3,499,601)
Year 3 (2022)	(3,578,064)
Year 4 (2023)	(1,956,052)
Year 5 (2024)	(196,930)
	$ (8,279,073)

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined based on an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019 using update procedures. The key actuarial assumptions are summarized as follows:

Inflation:	2.75% (Price), 3.25% (Wage)
Salary increase:	2.00%–7.00%
Investment rate of return:	7.00%
Cost of living adjustment	No cost of living adjustment is assumed

Mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table for males or females, as appropriate, with adjustments for mortality improvements based on Scale MP-2019.

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% at June 30, 2019 and June 30, 2018, respectively. This single blended discount rate was based on the long-term rate of return of 7.00% and the municipal bond rates of 3.50% and 3.87% as of June 30, 2019 and 2018, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The contribution percentage is the average percentage of the annual actual contribution paid over the annual actuarially determined contribution during the most recent fiscal year. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through fiscal year 2057.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

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major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
PERS:		
Risk mitigation	3.00%	4.67%
Cash	5.00	2.00
U.S Treasuries	5.00	2.68
Investment Grade Credit	10.00	4.25
High Yield	2.00	5.37
Private Credit	6.00	7.92
Real Assets	2.50	9.31
Real Estate	7.50	8.33
U.S. Equity	28.00	8.26
Non-US Developed Markets Equity	12.50	9.00
Emerging Markets Equity	6.50	11.37
Private Equity	12.00	10.85

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.28% and 5.66% for PERS as well as the proportionate share of the net pension liability using a 1.00 percent increase or decrease from the current discount rate as of December 31, 2019 and 2018, respectively:

	1% Decrease (5.28%)	**Discount Rate (6.28%)**	**1% Increase (7.28%)**
2019	**$ 52,464,017**	**$ 41,533,862**	**$ 32,323,658**

	1% Decrease (4.66%)	**Discount Rate (5.66%)**	**1% Increase (6.66%)**
2018	$ 57,867,296	$ 46,021,947	$ 36,084,457

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Detailed information about the Plan's fiduciary net position is available in a separately issued financial report. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. Information on the total Plan funding status and progress, required contributions and trend information is available on the State's web site at www.state.nj.us/treasury/pensions/annrprts.shtml in the Comprehensive Annual Financial Report of the State of New Jersey, Division of Pensions and Benefits.

(b) Postemployment Health Care and Insurance Benefits

General Information about the Postemployment Health Care Plan

Plan Description and Benefits Provided: The Authority sponsors a single employer postemployment benefits plan that provides benefits in accordance with State statute, through the State Health Benefits Plan, to its retirees having 25 years or more of service in the PERS, and 30 years or more of service if hired after June 28, 2011, or to employees approved for disability retirement. Health benefits and prescription benefits provided by the plan are at no cost to eligible retirees who had accumulated 20 years of service credit as of June 30, 2010. All other future retirees will contribute to a portion of their health and prescription premiums. Upon turning 65 years of age, a retiree must utilize Medicare as their primary coverage, with State Health Benefits providing supplemental coverage. In addition, life insurance is provided at no cost to the Authority and the retiree in an amount equal to 3/16 of their average salary during the final 12 months of active employment.

The Authority participates in the State Health Benefits Plan solely on the benefits side and not in a cost-sharing capacity, in order to leverage more affordable premium costs. The Authority maintains all plan assets within the Employee Benefit Trust. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295. The State has the authority to establish and amend the benefit provisions offered and contribution requirements.

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Employees Covered by Benefit Terms. At December 31, 2019 and 2018, the following employees were covered by the benefit terms:

	2019	2018
Active employees	**163**	181
Inactive employees and/or beneficiaries currently receiving benefit payments	**39**	36
Total membership	**202**	217

Contributions. The Authority's Board grants the Authority the right to establish and amend the contribution requirements. The Board establishes rates based on an actuarially determined rate. For the year ended December 31, 2019 and 2018, the Authority's average contribution rate was 2.78 percent and 36.64 percent of covered payroll, respectively. Employees are not required to contribute to the plan. The Authority's annual OPEB cost for the plan is calculated based on the Entry Age Normal level percentage cost method, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The Authority has established and funded an irrevocable trust for the payments required by this obligation.

Net OPEB (Asset) Liability

The Authority's net OPEB (asset) liability was measured at December 31, 2019 and the total OPEB liability used to calculate the net OPEB (asset) liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions. The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.3% per annum, compounded annually
Salary increases	3.5% per annum, compounded annually
Investment rate of return	4.50%
Healthcare cost trend rates	5.8% grading down to an ultimate rate of 4.5% for <65, 5.8% grading down to an ultimate rate of 4.5% for >65

Mortality rates were based on the Pub-2010 General Below-Median Income mortality tables and Pub-2010 Non-Safety Disabled Retiree mortality table adjusted to reflect Mortality Improvement Scale MP-2018 from 2010 base year and projected forward on a generational basis.

The actuarial assumptions used in the January 1, 2020 valuation were based on information provided by the Authority for the period of January 1, 2019 through December 31, 2019.

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Notes to Financial Statements (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table for 2019:

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US cash	BAML 3-month treasury	5.20%	1.40%
US government bonds	Barclays government	40.58%	0.78%
US credit bonds	Barclays credit	36.71%	2.68%
US municipal bonds	Barclays muni index	4.19%	2.17%
US Large Caps	S&P 500	0.64%	6.05%
US Equity Market	Russel 3000	12.08%	6.05%
US Small Caps	Russel 2000	0.60%	7.23%
Total		100.00%	

Discount Rate. The discount rate used to measure the total OPEB liability was 4.5 percent at December 31, 2019 and December 31, 2018. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Notes to Financial Statements (continued)

Changes in Net OPEB (Asset) Liability

For the year ended December 31, 2019:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB (Asset) Liability**
Net OPEB (asset) liability at beginning of the year	**$ 37,723,000**	**$ 37,944,957**	**$ (221,957)**
Changes for the year:			
Service cost	**1,703,075**	**-**	**1,703,075**
Interest	**1,764,822**	**-**	**1,764,822**
Changes of assumptions	**(19,858,717)**	**-**	**(19,858,717)**
Employer contributions	**-**	**420,225**	**(420,225)**
Net investment income	**-**	**3,324,504**	**(3,324,504)**
Benefit payments	**(420,225)**	**(420,225)**	**-**
Administrative expense	**-**	**(21,062)**	**21,062**
Net changes	**(16,811,045)**	**3,303,442**	**(20,114,487)**
Net OPEB asset at end of the year	**$ 20,911,955**	**$ 41,248,399**	**$ (20,336,444)**

For the year ended December 31, 2018:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB (Asset) Liability**
Net OPEB (asset) liability at beginning of the year	$ 38,468,306	$ 33,161,720	$ 5,306,586
Changes for the year:			
Service cost	1,966,628	–	1,966,628
Interest	1,605,750	–	1,605,750
Changes of assumptions	(3,729,586)	–	(3,729,586)
Employer contributions	–	5,306,586	(5,306,586)
Net investment income	–	85,812	(85,812)
Benefit payments	(588,098)	(588,098)	–
Administrative expense	–	(21,063)	21,063
Net changes	(745,306)	4,783,237	(5,528,543)
Net OPEB (asset) liability at end of the year	$ 37,723,000	$ 37,944,957	$ (221,957)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate. The following presents the net OPEB (asset) liability of the Authority as of December 31, 2019 and 2018, as well as what the Authority's net OPEB (asset) liability would be if it were calculated using a discount

New Jersey Economic Development Authority
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Notes to Financial Statements (continued)

rate that is 1-percentage-point lower (3.5% for 2019 and 2018) or 1-percentage-point higher (5.5% for 2019 and 2018) than the current discount rate:

	1% Decrease (3.5%)	Discount Rate (4.5%)	1% Increase (5.5%)
2019	**$ (16,535,298)**	**$ (20,336,444)**	**$ (23,377,963)**

	1% Decrease (3.5%)	Discount Rate (4.5%)	1% Increase (5.5%)
2018	$ 7,103,043	$ (221,957)	$ (5,999,957)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB (asset) liability of the Authority as of December 31, 2019 and 2018, as well as what the Authority's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.8% decreasing to 3.5% in 2019; and 7.6% decreasing to 3.7% in 2018) or 1-percentage-point higher (6.8% decreasing to 5.5% in 2019; and 9.6% decreasing to 5.7% in 2018) than the current healthcare cost trend rates (5.8% decreasing to 4.5% in 2019; and 8.6% decreasing to 4.7% in 2018):

	1% Decrease (4.8% decreasing to 3.5%)	Healthcare Cost Trend Rates (5.8% decreasing to 4.5%)	1% Increase (6.8% decreasing to 5.5%)
2019	**$ (23,829,799)**	**$ (20,336,444)**	**$ (15,794,427)**

	1% Decrease (7.6% decreasing to 3.7%)	Healthcare Cost Trend Rates (8.6% decreasing to 4.7%)	1% Increase (9.6% decreasing to 5.7%)
2018	$ (7,291,957)	$ (221,957)	$ 9,110,043

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NJEDA Employee Benefit Trust financial report, which is available on the Authority's website at www.njeda.com/public_information/annual_reports.

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Notes to Financial Statements (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2019 and 2018, the Authority recognized OPEB (income) expense of $(272,107) and $2,426,131, respectively. OPEB expense is reported in the Authority's financial statements as part of salaries and benefits expense. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Inflows	**Deferred Outflows**	**Deferred Inflows**	**Deferred Outflows**
Difference in experience	$ (255,020)	$ -	$ (84,227)	$ –
Changes in assumptions	(20,601,497)	-	(3,272,400)	–
Net difference between projected and actual earnings on OPEB plan investments	-	118,214	–	1,868,724
Totals	$ (20,856,517)	$ 118,214	$ (3,356,627)	$ 1,868,724

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Year Ended December 31:	
2020	$ (2,054,010)
2021	(2,227,661)
2022	(2,387,469)
2023	(2,647,970)
2024	(2,358,831)
Thereafter	(9,062,362)
Total	$ (20,738,303)

Note 11: Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority recorded current liabilities in the amount of $1,221,858 and $1,173,849 as of December 31, 2019 and 2018, respectively. The liability as of those dates is the value of employee accrued vacation time and vested estimated sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to eligible retirees for unused

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Notes to Financial Statements (continued)

accumulated sick leave is calculated at the lesser of ½ the value of earned time or $15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by Authority policy; therefore, such non-vested benefits are not accrued.

Note 12: Long-Term Liabilities

During 2019 and 2018, the following changes in long-term liabilities are reflected in the statement of net position:

	2019			
	Beginning Balance	Additions	Deductions	Ending Balance
Net pension liability	$ 46,021,947	$ –	$ (4,488,085)	$ 41,533,862
Unearned lease revenue	6,850,011	–	(1,052,849)	5,797,162
Accrued guarantee losses	427,609	–	(170,909)	256,700
Compensated absences	1,173,849	128,309	(80,300)	1,221,858
Total long-term liabilities	$ 54,473,416	$ 128,309	$ (5,792,143)	$ 48,809,582

	2018			
	Beginning Balance	Additions	Deductions	Ending Balance
Net pension liability	$ 55,148,355	$ –	$ (9,126,408)	$ 46,021,947
Other postemployment benefits liability	5,306,586	–	(5,306,586)	–
Unearned lease revenue	7,903,859	–	(1,053,848)	6,850,011
Accrued guarantee losses	884,741	34,097	(491,229)	427,609
Compensated absences	1,026,697	230,615	(83,463)	1,173,849
Total long-term liabilities	$ 70,270,238	$ 264,712	$ (16,061,534)	$ 54,473,416

For further information, see Notes 10 and 11.

Note 13: Subsequent Events

An outbreak of a new coronavirus, detected in China in December 2019, spread internationally in the first quarter of 2020 causing widespread disruption of the global economy and a rise in market volatility. Health officials have declared this to be a pandemic. The course of the pandemic and its ultimate effect on the United States, the global economy and markets are not fully known at this time. Management's evaluation is ongoing and it is not possible to predict the extent of the effect that the pandemic may have on the Authority's financial position as the environment continues to change.

Required Supplementary Information

New Jersey Economic Development Authority
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Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios

	2019	2018	2017	2016
		(In Thousands)		
Service cost	**$ 1,703**	$ 1,967	$ 1,900	$ 1,836
Interest	**1,765**	1,606	1,492	1,387
Change in assumptions	**(19,859)**	(3,730)	–	–
Benefit payments	**(420)**	(588)	(643)	(655)
Net change in total OPEB liability	**(16,811)**	(745)	2,749	2,568
Total OPEB liability – beginning	**37,723**	38,468	35,719	33,151
Total OPEB liability – ending (a)	**$ 20,912**	$ 37,723	$ 38,468	$ 35,719
Plan fiduciary net position				
Contributions – employer	**$ 420**	$ 5,307	$ 1,220	$ 1,162
Net investment income	**3,325**	86	486	382
Benefit payments	**(420)**	(588)	(643)	(655)
Administrative expenses	**(22)**	(21)	(21)	(21)
Net change in plan fiduciary net position	**3,303**	4,784	1,042	868
Plan fiduciary net position – beginning	**37,945**	33,161	32,119	31,251
Plan fiduciary net position – ending (b)	**$ 41,248**	$ 37,945	$ 33,161	$ 32,119
Authority's net OPEB (asset) liability-ending (a)-(b)	**$ (20,336)**	$ (222)	$ 5,307	$ 3,600
Plan fiduciary net position as a percentage of the total OPEB liability	**197.25%**	100.59%	86.20%	89.92%
Covered payroll	**$ 15,123**	$ 14,483	$ 14,108	$ 16,246
Authority's net OPEB liability as a percentage of covered payroll	**(134.47)%**	(1.53)%	37.62%	22.16%

Notes to Schedule:
Changes of assumptions: In 2019, there were changes in the assumed healthcare cost trend.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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Schedule of the Authority's OPEB Contributions

($ in thousands)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarial determined contribution	**$ 1,849**	$ 5,307	$ 1,220	$ 1,162	$ 9,014	$ 891	$ 850	$ 3,327	$ 806	$ 768
Employer contribution	**420**	5,307	1,220	1,162	9,014	891	850	3,327	806	768
Contribution deficiency (excess)	**$ 1,429**	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Authority's covered payroll	**$ 15,123**	$ 14,483	$ 14,108	$ 16,246	$ 15,819	$ 14,535	$ 10,971	$ 10,472	$ 12,062	$ 13,183
Contributions as percentage of covered payroll	**2.78%**	36.64%	8.65%	7.15%	56.98%	6.13%	7.75%	31.77%	6.68%	5.83%

New Jersey Economic Development Authority
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Notes to Schedule of the Authority's OPEB Contributions

Notes to Schedule:

Valuation Date	January 1, 2020 for 2019; January 1, 2017 for years 2018, 2017 and 2016, January 1, 2015 for 2015; January 1, 2012 for years 2012-2014; January 1, 2009 for years 2009-2011; January 1, 2006 for 2008.

Methods and assumptions used to determine the actuarially determined contribution rates:

Actuarial Cost Method	Entry Age Normal for 2019, 2018, 2017 and 2016, Project Unit Credit Cost Method for 2010-2015
Amortization Method	Full recognition of unfunded liability as of December 31 for 2019, 2018, 2017 and 2016, Level Dollar Open (1 year) for 2010-2015
Asset Valuation Method	Market value
Inflation Rate	2.3% for 2019, 2018, 2017 and 2016, not indicated for 2010-2015
Investment Rate of Return	4.5% for 2019 and 2018, 4.0% for all years prior

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Schedule of the Authority's Proportionate Share of the Net Pension Liability

	2019 PERS	2018 PERS	2017 PERS	2016 PERS	2015 PERS	2014 PERS
Authority's proportion of the net pension liability	**0.23051%**	0.23374%	0.23691%	0.22645%	0.21713%	0.15290%
Authority's proportionate share of the net pension liability	**$ 41,533,862**	$ 46,021,947	$ 55,148,355	$ 67,068,246	$ 48,740,925	$ 28,627,890
Authority's covered payroll	**$ 17,904,605**	$ 16,464,640	$ 16,199,280	$ 16,245,862	$ 15,434,227	$ 12,440,364
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	**231.97%**	279.52%	340.44%	412.83%	315.80%	230.12%
Plan fiduciary net position as a percentage of the total pension liability	**42.04%**	40.45%	36.78%	31.20%	38.21%	42.74%

The amounts presented for each fiscal year were determined as of June 30.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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Schedule of the Authority's Contributions to the Public Employees' Retirement System (PERS)

	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Contractually required contribution	$ **2,242,154**	$ 2,324,943	$ 2,194,698	$ 2,011,757	$ 1,866,720	$ 1,260,522	$ 1,137,100	$ 1,188,900	$ 1,262,300	$ 1,292,500
Contributions in relation to the contractually required contribution	**2,242,154**	2,324,943	2,194,698	2,011,757	1,866,720	1,260,522	1,137,100	1,188,900	1,262,300	1,292,500
Contribution deficiency (excess)	$ **–**	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Authority's covered payroll	**$17,904,605**	$16,464,640	$ 16,184,953	$16,245,862	$ 15,818,820	$ 14,535,358	$ 10,970,510	$ 10,472,305	$ 12,062,333	$ 13,183,135
Contributions as a percentage of covered payroll	**12.52%**	14.12%	13.56%	12.38%	11.80%	8.67%	10.37%	11.35%	10.46%	9.80%

New Jersey Economic Development Authority
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Notes to Schedule of the Authority's Contributions to the Public Employees' Retirement System (PERS)

Notes to Schedule

Valuation Date	Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine the actuarially determined employer contributions are as follows:

Actuarial Cost Method	Projected Unit Credit Method
Amortization Method	Level Dollar Amortization
Remaining Amortization Period	30 years
Asset Valuation Method	A five year average of market value
Investment Rate of Return	7.30% for 2019, 7.50% for 2018 and 2017, 7.65% for 2016, 7.9% for 2015, 2014 and 2013, 7.95% for 2012, 8.25% for 2011, 2010, 2009 and 2008
Inflation	2.75% (Price), 3.25% (Wage)
Salary Increases	None for 2019, 1.65% –5.15% for 2018, 2017 and 2016, 2.15% – 5.40% for 2015 through 2013, 4.52% for 2012, 5.45% for 2011, 2010, 2009 and 2008
Mortality	Pub-2010 General Below-Median Income Employee mortality table for male and female active participants. Mortality tables are adjusted for males and for females. In addition, the tables provide for future improvements in mortality from the base year of 2010 using a generational approach based on the plan actuary's modified MP-2019 projection scale.

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NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Kevin Quinn, Chairman

DATE: November 13, 2020

SUBJECT: Recommendation for Contract Award, 2020-RFQ/P-060, Independent Auditor Services

Request:

The Members are requested to approve entering into a contract with PKF O'Connor Davies, LLP (PKF) to provide Independent Auditor Services to the Authority's Board and its Audit Committee. These Independent Auditor services are in accordance with the requirements of Executive Order 122 (McGreevey 2004). These services are needed to provide the Board and its Audit Committee Members with an annual financial review and audit of the Authority's fiscal recordkeeping, as well as that of other entities.

Background:

As stated in Executive Order 122 (McGreevey 2004), public authorities, agencies and commissions of the State of New Jersey, such as the Authority, oversee billions of dollars in public funds. An independent auditing process is fundamental to the ability of these entities to oversee such funds, to set appropriate financial policies, to ensure that management maintains effective internal controls and to ensure that financial statements are free from material misstatements.

The independent auditor firm, PKF will perform an annual financial statement audit in compliance with generally accepted government auditing standards ("GAGAS") and promulgations of the Government Accounting Standards Board ("GASB"), and in accordance with all applicable federal and state laws, rules, regulations and standards, as well as professional standards and requirements mandated by the American Institute of Certified Public Accountants ("AICPA").

The resulting services shall address the Authority's financial statements for its calendar, fiscal years ending December 31, 2020, 2021 and 2022, with two (2) twelve-month extension options, to be exercised at the sole discretion of the Authority, for the fiscal years ending December 31, 2023 and 2024. Pricing shall remain unchanged for the initial three (3) year term; and will be adjusted by two (2%) percent Percentage Price Escalator, as stated in PKF's Fee Schedule (BAFO).

As provided for in Executive Order 122, PKF shall be responsible for publicly attesting to the fairness of the Authority's financial statements, evaluating the effectiveness of internal controls and through the issuance of management letters, if applicable, making comments and recommendations which, when implemented, may improve the design or operation of internal control systems.

Procurement Details

The New Jersey Economic Development Authority (NJEDA) Board of Directors, through its Audit Committee, issued a Request for Qualifications / Proposals - 2020-RFQ/P-060, on September 2, 2020. The RFQ/P sought to solicit proposals for Independent Audit Services in order to engage a well-qualified Public Accounting firm with demonstrated experience in providing Independent Auditor Services to other public entities, within New Jersey.

As required of the Executive Order and as indicated in the RFQ/P:

> "The auditor selected shall report directly to the Audit Committee or the Board. At no time shall the auditor report to any staff member of the Authority."

The RFQ/P language provided for the award of one (1), three (3) year contract, with two (2), twelve (12) month extension options to be exercised at the sole discretion of the Authority. Neither the RFQ/P or Exhibit A – Contract for Professional Services indicated a budgetary amount.

The RFQ/P was duly advertised in three (3) newspapers for one (1) day on September 2, 2020, (Courier Post, Trenton Times and Star Ledger), posted on the Authority's website, and on the NJ State Business Portal, under Commodity Code: 01-946-20: Auditing. One hundred and six (106) firms were identified for bid notification of the posting, which was sent via e-mail. An informational Pre-Bid Conference was not held for this solicitation.

The Questions & Answers period closed on September 8, 2020 at 2:00 PM (EST). Questions received and responses to the questions received were posted to the Authority's website on September 14, 2020 as Addendum 1.

Prior to the receipt of proposals, an Evaluation Committee of three (3) Board members was established and were advised by NJEDA's Internal Process Management (IPM) procurement team.
The Evaluation Committee was comprised of the following individuals:

- Kevin Quinn – NJEDA Board Chairman / Audit Committee Chairman
- Virginia Bauer – NJEDA Board member
- Catherine Brennan – NJEDA Board member designee / Deputy State Treasurer

Proposals were due at or before 2:00 PM (EST) on Wednesday, September 23, 2020. Four (4) proposals were received electronically, prior to the opening date and time, and the following four (4) were deemed responsive:

- Mercadien
- PKF O'Connor Davies
- Deloitte
- RSM US

The Evaluation Criteria/Weighting Percentages for Sections 1-4 are as follows:

- Personnel – 30%
- Experience of Entity – 25%
- Technical Proposal – 25%
- Fee Proposal – 20%

The Evaluation Committee reviewed, evaluated and scored the proposals based on evaluation criteria and weighting percentages that were formalized and time stamped prior to the bid opening. To ensure a neutral evaluation, the Evaluation Committee did not review or consider the fee schedules of the prospective bidders during the evaluation process.

After the Evaluation Committee reviewed and scored the proposals received, the IPM procurement team applied the weighting to the pricing provided in the Fee Schedules and the Evaluation Committee's scoring for each proposal resulting in the completed overall scoring for each proposal. The RFQ/P proposal results for the firm's total score and ranking was as follows:

- PKF O'Connor Davies (PKF) - $525,000.00, Score: 3.82, Ranked #1
- Mercadien - $311,500.00, Score 3.62, Ranked #2
- DeLoitte - $973,634.00, Score 3.55, Ranked #3
- RSM US – $825,000.00, Score 2.72, Ranked #4

PKF received the highest ranked score and was the second lowest price. Based upon same, Procurement determined to request a Best and Final Offer (BAFO) from PKF pursuant to Section 6.8 of the RFQ/P. On October 20, 2020, the BAFO request was sent to PKF. PKF responded and submitted a BAFO response, indicating an 8.5% price reduction off their initial price submission of $525,000.00 to $480,000.00 (a $45,000.00 reduction).

Legal Review and Debarment Check

Following the Evaluation Committee's initial review and potential recommendation that the contract be awarded to PKF, the recommendation was forwarded to the Authority's Legal Review Unit to conduct its legal review/debarment check. An item was raised by the Authority's Legal Review Unit pertaining to PKF's disclosure of investigation submission. This issue was in turn subsequently brought to the Evaluation Committee's attention for its consideration on October 28, 2020. The Evaluation Committee convened on Wednesday, October 28, 2020 to discuss and based upon the discussion it was determined to schedule an interview with PKF pursuant to Section 1.4.10 of the RFQ/P. The interview was held with the members and David Gannon, Partner of PKF on Friday, October 30, 2020 and Kevin Keane, Managing Partner of PKF on Monday, November 2, 2020.

Based upon the interviews and the members' review of the documentation, including but not limited to the reference checks, that no change to the evaluation scores are warranted and stands by its initial determination.

Recommendation:

Following a thorough review of the proposals received, the Evaluation Committee has made a recommendation to, and the Audit Committee has accepted, the selection of PKF. Considering price and other factors and based on a maximum potential score of 5.0, PKF was the highest ranked firm and achieved an overall score of 3.82.

The Audit Committee recommends the Authority Members' approval to enter into a contract with PKF O'Connor Davies, LLP to provide Independent Auditor Services to the Authority's Board and its Audit Committee. Based upon the above evaluation, the Audit Committee members recommends award of the one (1), three (3) year contract for Independent Auditor Services to PKF O'Connor Davies, as its score of 3.82 was both the highest score and exceeded the minimum score requirement set forth in the RFQ/P.

The initial term of the contract is for three (3) years, with two (2) twelve-month extension options to be exercised at the sole discretion of the Authority, at the same terms and conditions. Pricing shall remain firm for the initial three (3) year term of the contract. In accordance with the RFQ/P language, pricing for each of the two (2) twelve-month extensions, shall be adjusted by two (2%) percent "Percentage Price Escalator" as indicated in PKF's Fee Schedule (BAFO). The total expenditure for the initial three (3) year term is $480,000.00. Should the NJEDA exercise both extension options for a total of $329,664.00; the total expenditure for the five (5) year term is $809,664.00.

The final contract will be subject to the approval of the Chief Executive Officer.

Kevin Quinn, Chairman

Prepared by:
Prepared by Independent Auditor Services Evaluation Committee and Audit Committee
With support from NJEDA Procurement Office

NJEDA

MEMORANDUM

Information Technology Microsoft Enterprise Agreement

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: Microsoft Software and Services Enterprise Agreement

Summary
The Members are asked to approve the purchase of Microsoft software and services, the cost of the contract is a maximum not to exceed \$2,217,600, per a three-year "Microsoft Enterprise Agreement", in accordance with the New Jersey State Software License and Related Services contract.

Background
In October 2014, the Authority entered into a three-year Enterprise Agreement contract, with Dell Marketing, LP, in accordance with their New Jersey State Contract, to procure the Microsoft Office 365 product which transfers Exchange Email, SharePoint, Skype, data storage, and Office Suite licensing to a cloud based government platform hosted online by Microsoft as opposed to local on premises hosting by the Authority.

The bundled suite of products, as per State Contract guidelines is licensed on a three-year basis, with three annual payments required. Over the term of the agreement, the Authority may make changes to products and user counts, resulting in increases or decreases to the second and third year payments.

In 2017, the Authority added new services to the Enterprise Agreement. The first services we added include Office 365 add-on components, SQL Server, desktop licensing, and online CRM, which is the backbone of the in-progress loan and incentives management replacement project. We continue to migrate our infrastructure to the cloud allowing us to retire much of server room hardware that were running on premise applications. Since then, we migrated additional services to the Microsoft platform including Teams that enhanced our conference calls with video and Azure to build out our cloud development platform and bolster our threat protection services. Additionally, we increased our license counts to keep pace with the expanding footprint of EDA services.

Previously, these products were all purchased separately, which proved difficult to manage with varying terms and expiration dates.

This purchase will be made under the New Jersey State contract, M-0003 Software License and Related Services. At this time, the Authority is required to renew all Microsoft licensing for a three-year term. The annual cost is estimated to be approximately $616,000 per year, which is based on current usage and headcount. The NJEDA is subject to audit and a "true-up" process every year based on which products are used, headcount, etc. We are allowing for a 20% contingency in the event of higher costs and/or increased activity, up to a maximum not to exceed $2,217,600 over the three (3) year agreement term.

Recommendation

The Members are asked to approve the recommendation that the Authority renew the Microsoft Enterprise Agreement in accordance with the specifications, terms and conditions of the State Contract.

The Operating Budget for the Enterprise Agreement under the three-year term will be a maximum not to exceed $2,217,600.

Tim Sullivan
Chief Executive Officer

Prepared by: Patrick McMillian/Thomas Murphy

OFFICE OF ECONOMIC TRANSFORMATION

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

RE: Memorandum of Understanding (MOU) – Exploring Crowdfunding platforms for entrepreneurs

Request

The Members are requested to approve a Memorandum of Understanding (MOU) between the New Jersey Economic Development Authority (NJEDA) and Rutgers University to review and recommend possible crowdfunding platforms for communities in New Jersey.

Background

Through his comprehensive economic plan for building a stronger and fairer economy in New Jersey, Governor Murphy has emphasized the importance of supporting minority-owned businesses to help move New Jersey toward the goal of building the most diverse, inclusive innovation ecosystem in the nation. To facilitate this goal, Governor Murphy and the NJEDA have proposed a new set of strategies to support minority entrepreneurs including the D&I bonus for the Angel Investor Tax Credit, the bonus for the NJ Accelerate Program and the Film Tax Credit along with the recent RFI looking at a potential investment in a Black and LatinX seed fund.

In addition to these new strategies and forms of outreach, supporting underserved entrepreneurs, requires investing in all types of businesses—not only high-growth start-up companies, which tend to get the most media exposure and attract high-dollar investments from VC firms. Small and medium-size businesses—that are successful but not necessarily high-growth—need forms of investment and capital infusion too. In recognition of this need, the NJEDA and Rutgers are proposing a MOU that would reimburse for service $45,000 in funding from the NJEDA to Rutgers to provide research and recommendations on potential crowdfunding platforms, a budget and plan for a possible launch, marketing, and management of a crowdfunding campaign. Future consideration to collaborate with Rutgers to administer and manage the proposed platform will be determined upon review of the materials from the MOU and board consideration.

The Rutgers Center for Urban Entrepreneurship and Economic Development (CUEED) is the first research and practitioner-oriented center in the nation to integrate scholarly works with private industry, government and the non-profit sector to stimulate entrepreneurial and economic growth in urban environments. CUEED promotes and fosters a new generation of diverse entrepreneurs who actively seek to start and grow socially conscious ventures affecting urban renaissance. Because of CUEED, Rutgers is uniquely positioned, relative to other universities, to support this initiative in New Jersey.

Recommendation

The Members' approval is requested to approve a Memorandum of Understanding, attached as Exhibit A in substantially final form, between the NJEDA and Rutgers for the NJEDA to provide funding of up to $45,000 for a period of 120 days during which Rutgers will provide research and recommendations on crowdfunding platforms, a budget and plan for the launch, marketing, and management of a crowdfunding campaign, and a plan for the potential public launch and management of a NJEDA pre-approved crowdfunding platform.

Tim Sullivan
Chief Executive Officer

Prepared by: Meera Kumar & Kathleen W Coviello

Attachment:

- Exhibit A – Memorandum of Understanding with Rutgers University

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU"), made by and between the New Jersey Economic Development Authority ("Authority" or "NJEDA") and Rutgers, The State University, on behalf of its Center for Urban Entrepreneurship and Economic Development (CUEED) ("Rutgers"), which may be collectively referred to as the "Parties" or individually referred to as a "Party" pursuant to the terms of this MOU, is made effective as of the date the MOU has been executed by both Parties (the "Effective Date").

WHEREAS, NJEDA, established pursuant to N.J.S.A. 34:1B-1 et seq., is an independent State authority, in but not of Treasury, that serves as the State's principal agency for driving economic growth and is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy; and

WHEREAS, NJEDA has a core focus on the growth of small and mid-sized businesses and the economic revitalization of distressed areas, and in response to state policies, economic trends and needs in the marketplace, the NJEDA develops new programs and adapts existing ones that benefit its core business markets, communities and specific industry sectors; and

WHEREAS, NJEDA recognizes that entrepreneurship is a primary contributor to job creation and sustainable economic growth and has a history of working in collaboration with private sector investors to support the growth of entrepreneurship in New Jersey. This support comes in the form of venture fund investments, collaboration with angel investing groups, direct funding, incentive grants and the administration of various tax credits; and

WHEREAS, Rutgers, The State University is a leading national research university and the State of New Jersey's preeminent, comprehensive public institution of higher education; and

WHEREAS, Rutgers Center for Urban Entrepreneurship and Economic Development (CUEED) is one of the first research and practitioner-oriented center in the nation to integrate scholarly works with private industry, government and the non-profit sector to stimulate entrepreneurial and economic growth in urban environments. CUEED promotes and fosters a new generation of diverse entrepreneurs who actively seek to start and grow socially conscious ventures affecting urban renaissance; and

WHEREAS, the Parties agree that it is in their best interest and in the best interest of the public to enter this MOU regarding the provision of Rutgers research expertise and capabilities and advisory services of CUEED; and

WHEREAS, N.J.S.A. 52:14-1 et seq. authorizes state agencies to enter agreements to provide assistance to each other; and

WHEREAS, NJEDA and Rutgers enter into this MOU as an interagency agreement pursuant to N.J.S.A. 52:14-1 et seq. for NJEDA to provide Rutgers with reimbursement of up to $45,000 for a period of 120 days for the Services as defined below (Purposes/Scope of Project).

NOW, THEREFORE, in consideration of the foregoing recitals, which are deemed to be a part of this MOU, and the premises and the mutual covenants otherwise contained herein, the Parties in order to effectively and efficiently carry out their respective statutory and organizational mandates, agree to the following:

1. PURPOSE/SCOPE OF PROJECT. The Parties have made it a purpose of the MOU to explore using crowdfunding platforms and campaigns for NJ entrepreneurs in underserved populations to obtain capital for the launch of startups and/or grow existing small businesses. To achieve the purpose of this MOU, the Parties hereby agree to as follows:

A. Rutgers shall perform these services and provide the following to NJEDA (the term "Services" hereunder means items i- vi, below, as further outlined in Attachment A):

i. Research on crowdfunding platforms which allow entrepreneurs to tap into the power of the internet to raise money for their small businesses and the impact that the use of such platforms would have on the ability of underserved ethnic groups to raise capital.

ii. Research to review and identify best practices of state and local economic development agencies and organizations in the United States for use of crowdfunding platforms to support underserved entrepreneurs and small business efforts to access capital.

iii. A list of (a) at least three crowdfunding platforms that are most likely to achieve the purpose of this MOU and an explanation of why, and (b) positive attributes and shortcomings of each of those crowdfunding platforms.

iv. A proposal for NJEDA's consideration and approval that includes a concise written plan and monthly budget detailing the actions that Rutgers proposes to take to apply and implement the findings and recommendations resulting from this MOU to promote, launch, and potentially procure and manage an approved crowdfunding campaign. Furthermore, the plan/budget must detail both the fees charged by the platform along with the fees to be charged by Rutgers. The plan/budget of such proposal should also include detail about the proposed marketing plan and associated costs, proposed timeline and implementation steps. As noted in B(iii) and C below, if the Authority's board approves Rutgers' plan for the execution and management of the platform, the funding and the award for implementation will be subject to a future board approval upon review of all materials submitted as part of this MOU.

v. Periodic invoices totaling $45,000 after satisfactory completion of the tasks listed on Attachment A hereto. All invoices will be sent to P.O. Box 990, Trenton, NJ 08625-0990 and emailed to kcoviello@njeda.com with a cc to ccostello@njeda.com .

vi. Upon request of NJEDA, a copy of all documents or other products produced under this MOU.

B. NJEDA shall provide the following to Rutgers:

i. Within 30 days of receipt of each invoice, payments of up to a total of $45,000 upon satisfactory completion of the Services as listed above and further outlined on Attachment A hereto. Services represented as completed by Rutgers' issuance of the associated invoice shall be considered to be satisfactory, completed, and approved for payment unless NJEDA provides Rutgers with written notice of NJEDA's determination that all or part such Services were not satisfactory and/or not completed within 20 days of receipt of Rutgers' invoice for such Services; such written notice must include sufficient detail of NJEDA's basis for such determination to enable Rutgers to investigate and address or correct such basis for assertion that the Services were not satisfactory and/or completed. The 30 day payment from NJEDA shall be extended, commensurate with any delays due to incomplete or unsatisfactory notices.

ii. Comments on the research and recommendations provided by Rutgers.

iii. A decision of whether it approves, or does not approve, the plan and budget recommended by Rutgers; and if approval is granted, authorization to establish, announce, procure and manage a crowdfunding campaign for a one year beta pilot to achieve the purpose of this MOU.

C. Potential future MOU between NJEDA and Rutgers:

(Implementation) Upon **prior written approval of a plan** and budget by the NJEDA board and upon execution, by both Parties, of a subsequent agreement memorializing the final plan and funding terms, and in coordination with NJEDA, a public launch of a crowdfunding campaign to achieve the purpose of this MOU for a one year beta test, with ongoing management of the use of the selected crowdfunding platform, promotion of the crowdfunding efforts to prospective supporters and investors and provision of quarterly written reports to NJEDA on the amount of capital raised and the number of entrepreneurs funded, including the nature of the business, business location and number of employees at time of funding.

2. **TERM.** The term of this MOU shall be for a period of one hundred and twenty (120) days commencing on the Effective Date ("Term"). The initial term may be renewed for any additional period upon the written agreement of both Parties.

3. NOTICES. Any notice or communication required or permitted to be given under this MOU shall be in writing and may be delivered electronically to kcoviello@njeda.com with a cc to ccostello@njeda.com . The Parties designated the following persons as primary points of contact for all matters relating to this MOU:

NJEDA: Kathleen W. Coviello, Executive Vice President
New Jersey Economic Development Authority
675 US Highway One
North Brunswick, NJ 08202
kcoviello@njeda.com
Office (609)858-6713/(732)532-6590
Mobile (609)743-0097

RUTGERS: Lyneir Richardson, Assistant Professor of Professional Practice, Rutgers Business School, 1 Washington Park, Suite 1030, Newark, NJ, 07102; lrichardson@business.rutgers.edu; 312-339-1174

If legal notice, with copy to:
Attn: Letitia Dean, MPA, CRA, Assistant Director, ORSP
Rutgers, The State University
65 Bergen Street, Suite 538 Newark, New Jersey 07103
973-972-0283
preaward@newark.rutgers.edu; ru-orsp@ored.rutgers.edu

4. CONFIDENTIALITY. Each Party understands that, in the course of performing this MOU, each Party may disclose to the other certain confidential information. All such information marked or identified as confidential by the disclosing Party shall be kept confidential by the receiving Party and not disclosed to any third party in a manner not directly related to the performance of this MOU, except with the prior written consent of the disclosing Party. The Parties agree that the understanding expressed in this Section 4 will continue for five (5) years after the termination or natural expiration of the Term of this MOU. Notwithstanding the above, the term "confidential information" does not include information if the same: (i) was generally known to the public or properly in the public domain at the time it was disclosed; or (ii) was properly known to and available for use by the receiving Party and recorded as such in its files at the time of receipt from the disclosing Party; or (iii) is proven by the receiving Party to have been independently developed by the receiving Party; or (iv) becomes properly known to and available for use by the receiving Party from a source other than the disclosing Party; or (v) is required by any federal or state law (including the N.J. Open Public Records Act), regulation or statute and/or court or administrative order to be disclosed. This MOU shall not be considered confidential. In the event that a Party or its representatives are requested or required (by the N.J. Open Public Records Act, New Jersey Right to Know statutory law or case law, oral questions administered under oath in a court or investigative proceeding, interrogatories, depositions, subpoena or other judicial or investigative process) to disclose any confidential information supplied by the other Party, such Party will provide to the other Party prompt notice of such request and will consult with the other Party regarding a response, to the extent permitted by law. Each Party understands that certain laws and orders will require the other Party to respond within a certain time period and will endeavor to provide notice sufficiently in advance of the expiration of that time period to permit input.

5. <u>INTELLECTUAL PROPERTY AND PUBLICATIONS</u>. Each Party to this MOU shall: (a) own the intellectual property ("IP") created by its employees or agents in furtherance of projects or activities contemplated by this MOU and (2) hereby grants the other Party a non-exclusive and royalty-free license to use all such IP created in performance of the Services and work product under this MOU. IP created jointly by the Parties shall be jointly owned and either Party may exploit jointly developed IP. Rutgers shall be permitted to publish results, methods, and data of the Services and/or deliver presentations related thereto, provided, however, that NJEDA shall have been furnished copies of any proposed publication or presentation at least thirty (30) days in advance of the submission to permit NJEDA to provide comments on said publication in writing or to identify and object to if necessary, confidential information of NJEDA subject to the terms of Section 4 contained in the publication or presentation. NJEDA shall provide Rutgers with such commentary and/or identified confidential information in writing within twenty (20) business days of receiving a proposed publication or presentation or forever waive its rights in this regard.

6. <u>TERMINATION</u>. Any Party shall have the right to terminate this MOU upon thirty (30) days advance written notice to the other Party. Upon receipt of notice of termination, Rutgers shall make reasonable efforts not to incur any additional expenses or costs and NJEDA will pay for costs incurred prior to the termination date. NJEDA shall reimburse Rutgers for the reasonable value of the Services performed by Rutgers up to the time of such termination and all non-cancelable obligations incurred by Rutgers (not to exceed the total consideration of the MOU).

7. <u>INDEMNIFICATION</u>. The Parties acknowledge that they are public entities of the State of New Jersey. Therefore, the Parties agree each entity shall be liable for its own conduct and any claims against it without indemnification from the other.

8. <u>SEVERABILITY</u>. If any provision of this MOU shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this MOU is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

9. <u>AMENDMENT</u>. This MOU may be modified or amended only if the amendment is made in writing and signed by all the Parties.

10. <u>ENTIRE AGREEMENT</u>. This MOU and Attachment A hereto contains the entire agreement of the Parties regarding the subject matter of this MOU, and there are no other promises or conditions in any other agreement whether oral or written. This MOU supersedes any prior written or oral agreements among the Parties.

11. DISCLAIMER. Rutgers makes no warranties, expressed or implied, as to any matter whatsoever, including without limitation, the ownership, non-infringement, merchantability, or fitness for a particular purpose of the Services and/or any results of the Services provided. Rutgers shall not be liable for any direct, indirect, consequential, or other damages suffered by NJEDA or any others resulting from the Services or the Services results.

12. GOVERNING LAW. This MOU shall be governed, and the rights of the Parties construed in accordance with the laws of the State of New Jersey without regard to its conflict of laws provisions.

IN WITNESS WHEREOF, the Parties have caused this MOU to become effective on the Effective Date (defined above).

NEW JERSEY ECONOMIC DEVELOPMENT AGENCY

By: ________________________________

Name Printed: ________________________

Title: ________________________________

Date: ________________________________

RUTGERS, THE STATE UNIVERSITY, ON BEHALF OF ITS CENTER FOR URBAN ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT

By: ________________________________

Name Printed: ________________________

Title: ________________________________

Date: ________________________________

ATTACHMENT A

Rutgers Task Completion and Invoice Schedule

Task 1: A $15,000 invoice will be submitted by Rutgers to NJEDA after delivery of a final written report on research related to (a) crowdfunding platforms which allow entrepreneurs to tap into the power of the internet to raise money for their small businesses, and (b) best practices of U.S. state and local economic development agencies and organizations use of crowdfunding platforms to support entrepreneurs and small business capital access. Rutgers will provide the NJEDA with a draft report within 30 days of the Effective Date. The NJEDA will provide feedback and comments to Rutgers within 15 days of receiving the draft report. Rutgers will address and/or incorporate the NJEDA's comments into a final report, which shall be submitted to the NJEDA within 15 days after receiving the NJEDA's feedback and comments.

Task 2: A $10,000 invoice will be submitted by Rutgers to NJEDA after delivery of a final list of at least three crowdfunding platforms that are most likely to achieve the purpose of this MOU and an explanation of why, including details on the positives attributes and shortcomings of each of those crowdfunding platforms. Rutgers will provide the NJEDA with a draft list with supporting details within 30 days after the Effective Date. The NJEDA will provide feedback and comments to Rutgers within 15 days of receipt. Rutgers will address and/or incorporate the NJEDA's feedback and comments into a final list with supporting details, which shall be submitted to the NJEDA within 15 days after receiving the NJEDA's feedback and comments.

Task 3: A $10,000 invoice will be submitted by Rutgers to NJEDA after delivery of a written plan and budget detailing Rutgers' proposal to launch, promote, manage and potentially secure the use of, and periodically report impact and performance metrics for a crowdfunding campaign to help underserved populations in New Jersey get capital to launch startups and grow existing small businesses. Rutgers will provide the NJEDA with a draft plan within 60 days after the Effective Date. The NJEDA will provide Rutgers with feedback and comments within 15 days of receipt. Rutgers will address and/or incorporate the NJEDA's feedback and comments into a final plan and budget, which will be submitted to the NJEDA within 15 days after receiving the NJEDA's feedback and comments.

Task 4: $10,000 invoice will be submitted by Rutgers to NJEDA upon the completion of all the above Tasks 1-3 to compensate Rutgers for research, management, administration and indirect costs and expenses of this MOU. The Parties anticipate that Task 4 will be completed 120 days after the Effective Date.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Technology Business Tax Certificate Transfer Program:
2020 Program Approvals

BACKGROUND

The Technology Business Tax Certificate Transfer (NOL) Program allows technology and biotechnology companies with fewer than 225 employees in the U.S. and with certain minimum number of full-time employees in the State to sell their net operating losses and/or research and development tax credits to profitable corporate entities. Proceeds from those sales are required to be re-invested in the seller's business.

2020 PROGRAM CYCLE

This year marks the 21st anniversary of the Technology Business Tax Certificate Transfer (NOL) Program. Over the last two decades, over 550 unique companies have been awarded a total benefit amount of more than $1.07 billion. As in previous Program years, a benefit pool of $60 million is available to be distributed in State Fiscal Year 2020-2021. Of this $60 million, $10 million is reserved for the surrender of transferable tax benefits exclusively by eligible companies operating within the boundaries of the State's three (3) Innovation Zones (technology clusters fostering business-university collaboration located in Camden, Newark and the Greater New Brunswick Area).

For the 2020 Program Year, the Authority received applications from 54 companies requesting a total benefit amount of $65,668,347. COVID-19 had an impact on the timing and operations of the NOL program, as with many other aspects of 2020. On June 30, 2020, Governor Murphy signed Executive Order 159 ("EO 159") extending certain statutory deadlines across state government. This included an extension to the Technology Business Tax Certificate Transfer (NOL) Program application deadline from June 30, 2020 to September 30, 2020. Prior to the initial application deadline of June 30th, 2020 and the issuance of Executive Order 159 on the evening of June 30th, 44 program applications were received. These applicants applied with the expectation that the date of eligibility review would be June 30, 2020. However, some of these applicants would not have met eligibility requirements as of the extended eligibility review date of September 30, 2020. Specifically, the three-month window substantially elevated the employee threshold for a number of companies, past the point of reasonable growth in that time frame. In order to be fair and equitable to all applicants, and after consultation with the Attorney General's office, staff review allowed a company that applied by June 30th the ability to use either date as date of review, as long as <u>all</u> eligibility items were met on that date. An additional rule modification was accepted at the September 2020 Board meeting to settle the conflicting requirements of the Governor's EO 103 declaring a public health emergency and requiring employees to shelter at home to contain the spread of the virus, versus the definition of a "full-time employee working in this State" which requires out of state employees to "*spend at least 80 percent of his or her time in New Jersey*".

Program highlights for this year include:

- The number of received applications (54) matched last years—the last two program years represent the highest application totals in the past 6 years.
- In this year's program there are 26 applicants (48%) that have identified themselves as technology companies, while the remaining 28 applicant companies (52%) identified as biotechnology companies.
- Private companies comprised 39 (72%) of the applicant pool while the remaining 15 (28%) are publicly traded.
- Included in this year's applicant pool, were 8 companies located in an Innovation Zone.
- There are 32 returning applicants from last year and an additional 5 applicants, who are returning after a gap of at least one year away from the program.
- Most notable, is the participation of ***17 new companies (31% of total applicants)***, which sets a 3-year streak of 15 or more, new companies to the program.

Attachment A shows the 50 applicants that are recommended for approval in November for the 2020 Program. The total of 50 applicants are estimated to receive $60,000,000, giving an approximate average award of $1.2 million per applicant. The threshold eligibility items for an application are specified in Attachment B. Attachment C will lay out the 1 company that staff is unable to recommend for approval due to a lack of evidence to meet legislative requirements. During the due diligence process, 3 companies chose to withdraw their applications from the program.

<u>RECOMMENDATION:</u>

Based on evaluations by Authority staff, approval is recommended for the listed applicants on Attachment A, which have been evaluated according to the criteria established by the legislation. Disapproval is recommended for the applicant on Attachment C due to a lack of evidence to support the required eligibility criteria for approval.

Tim Sullivan, CEO

Prepared by: Matthew Fields

Attachment A:			
Recommended Approvals		**Business Description**	**Applicant NJ HQ/Base of Operations**
1	Acuitive Technologies	Acuitive Technologies, Inc. is devoted to pursuing material technologies to improve medical device performance and patient outcomes.	Allendale
2	Ailares Inc.	Ailares Inc. (a new company) is a financial technology company that leverages machine learning (ML) and artificial intelligence (AI) in the fields of wealth management, investment management and risk management.	Princeton
3	AIM ImmunoTech, Inc.	AIM ImmunoTech, Inc. fka Hemispherx Biopharma is an immuno-pharma focused on the research and development of therapeutics to treat multiple types of cancers, various viruses and immune-deficiency disorders.	New Brunswick
4	Angel Medical Systems	Angel Medical has developed the first ever implantable, patient alerting system for the early detection and prevention of heart attacks.	Eatontown
5	Avlino Inc.	Avlino Inc. creates operational solutions utilizing the latest technologies in artificial intelligence.	Holmdel
6	Bellerophon Therapeutics	Bellerophon Therapeutics is a clinical-stage therapeutics company focused on developing innovative products that address significant unmet medical needs in the treatment of cardiopulmonary diseases.	Warren
7	Bloqcube Inc.	Bloqcube Inc. (a new company) does Clinical Trial software with blockchain and integration.	Bridgewater
8	Brilliant Light Power Inc	Brilliant Light Power, Inc. is creating a nonpolluting, new primary source of energy from the conversion of hydrogen into a prior undiscovered, more stable form of hydrogen called “Hydrino” that releases two hundred times more energy than burning hydrogen.	Eatonton
9	Caladrius Biosciences, Inc.	Caladrius is a clinical-stage biopharmaceutical company dedicated to the development and commercialization of cellular therapies designed to reverse disease and/or promote the regeneration of damaged tissue.	Basking Ridge
10	Celsion Corporation	Celsion is a fully integrated development stage oncology drug company focused on advancing a portfolio of innovative cancer treatments, including directed chemotherapies, DNA-mediated immunotherapy and RNA based therapies.	Lawrenceville
11	Celularity, Inc.	Celularity is a stage cell therapeutics company delivering transformative allogeneic cellular therapies, engineered from the postpartum human placenta, in cancer immunotherapy and functional regeneration.	Warren

12	CircleBlack, Inc.	CircleBlack, Inc. created a SAAS solution for financial firms to track investment for private wealth group.	Princeton
13	Clinical Genomics Pathology Inc	Clinical Genomics Pathology Inc (a new company) is a biotech firm focused on diagnostic solutions used for detection of colorectal cancer.	Bridgewater
14	CorMedix Inc	CorMedix Inc. is a biopharmaceutical company focused on developing and commercializing therapeutic products for the prevention and treatment of infectious and inflammatory diseases.	Berkeley Heights
15	Cytosorbents Medical Inc.	Cytosorbents Medical Inc. is a critical care focused immunotherapy company using blood purification to treat deadly inflammation in hospitalized patients around the world, with the goal of preventing or treating multiple organ failure in life-threatening illnesses and cardiac surgery.	Monmouth Junction
16	Duet Microelectronics	Duet Microelectronics, Inc. is a semiconductor company that is focusing on designing and developing integrated circuits (ICs) and the underlying semiconductor technology for advanced wireless and wired telecommunications applications.	Raritan
17	electroCore, Inc	ElectroCore is a commercial stage bioelectronic medicine company with a proprietary non-invasive vagus nerve stimulation, or nVNS, therapy.	Basking Ridge
18	Elite Laboratories	Elite Laboratories is a specialty pharmaceutical company primarily engaged in the development of a range of opioid products that contain Elite's patented and proprietary abuse resistance and controlled release technologies.	Northvale
19	EOS Energy Storage	Eos Energy Storage develops innovative, low-cost energy storage solutions for the electric utility industry, as well as commercial and industrial (“C&I”) end users.	Edison
20	Forefront Telecare Inc.	Forefront Telecare Inc. (a new company) is a pioneer and U.S. leader in the delivery of behavioral health services via unique HIPAA-compliant Telehealth platform, which incorporates software, hardware and comprehensive service protocols developed over years in the field.	Hamilton Twp.
21	Fusion Recruiting Labs, Inc.	Fusion Recruiting Labs, Inc. (a new company) builds employment tools that accelerate hiring processes and increase the efficiency of recruitment advertising campaigns for the fast-growing needs of HR Departments.	Red Bank
22	Gadget Software, Inc	Gadget Software, Inc. is a software platform that puts various text into easy to use pdf/mobile formats.	Newark
23	Hope Portal Services, Inc DBA Hope Trust	Hope Portal Services, Inc dba as Hope Trust, is a health-tech/fin-tech startup that provides both concierge and fiduciary services to the high net worth special needs community. Hope's IP relates to a computing platform (code)	Holmdel

		for securing sensitive data and safely sharing it with third party resources.	
24	Interpace Biosciences, Inc.	Interpace Biosciences, Inc. (a new company) enables precision medicine principally in oncology by offering specialized services along the therapeutic value chain from early diagnosis & prognostic planning to targeted therapeutic applications through our clinical & pharma services.	Parsippany
25	IoTecha Corp	IoTecha is a developer of a hardware, software and cloud integrated platform designed for the Electric Vehicle smart charging infrastructure.	Piscataway
26	Matinas Biopharma	Matinas BioPharma is a clinical-stage biopharmaceutical company focused on advancing a lipid nano-crystal (LNC) drug delivery platform to solve complex challenges relating to the delivery of small molecules, gene therapies, vaccines, proteins, and peptides.	Bedminster
27	Miami International Holdings, Inc	Miami International Holdings, Inc. (MIH or the Company) is the parent holding company of three fully electronic U.S. exchanges for the trading of equity options.	Princeton
28	MYOS RENS Technology Inc.	MYOS RENS Technology Inc. was founded to develop and market innovative advanced nutrition products for addressing muscle health in humans and domestic pets.	Cedar Knolls
29	Nanotech Industrial Solutions	Nanotech Industrial Solutions is involved with the technology- research, development and manufacturing of Nano sized particles of Inorganic Fullerene-like Tungsten Disulfide for wear reduction and enhanced performance in machinery and equipment	Avenel
30	Ocean Power Technologies, Inc.	Ocean Power Tech focuses on ocean wave power conversion technology. Their PowerBuoy® harnesses the renewable energy of ocean waves and converts it into clean, environmentally beneficial electricity.	Monroe Township
31	Oncosec Medical	OncoSec (a new applicant) is a clinical-stage biotechnology company focused on developing cytokine-based intra-tumoral immunotherapies to stimulate the body's immune system to target and attack cancer	Pennington
32	Onkos Surgical Incorporated	Onkos Surgical Incorporated (a new company) delivers high quality implants and instruments that meet the unique needs of musculoskeletal tumor patients.	Parsippany
33	Orthobond Corporation	Orthobond Corporation developed proprietary antimicrobial nanosurfaces, which aim to address the root cause of medical device contamination by killing unwanted microbes on the surfaces of metallic and polymeric devices.	Princeton
34	PDS Biotechnology Corporation	PDS Biotechnology Corporation fka Edge Therapeutics is a clinical-stage biopharmaceutical company developing a new generation of multi- functional cancer immunotherapies.	Florham Park

35	Princeton Identity	Princeton Identity (a new company) provides a software and physical hardware for biometric identity authentication.	Hamilton Twp.
36	Provention Bio, Inc	Provention Bio, Inc. is a clinical-stage developing novel therapeutics aimed at intercepting and preventing immune-mediated diseases.	Red Bank
37	Rafael Pharmaceuticals, Inc..	Rafael Pharmaceuticals, Inc. fka Cornerstone Pharmaceuticals is a clinical-stage, metabolic oncology therapeutics company, focused on transforming the lives of patients with hard to treat cancers.	Newark
38	Scynexis, Inc	Scynexis is focused on innovative therapies for difficult-to-treat and often life-threatening infections. Their lead product, ibrexafungerp, has the potential to effectively treat multiple serious fungal infections.,	Jersey City
39	Solidia Technologies	Solidia is a cement and concrete technology company with patented processes that make it easy and profitable to use C02 to create superior and sustainable building materials.	Piscataway
40	Soligenix Inc.	Soligenix Inc is a late-stage biopharmaceutical company focused on developing and commercializing products to treat rare diseases where there is an unmet medical need.	Princeton
41	SPES Pharmaceuticals Inc.	SPES Pharmaceuticals Inc. (a new company) is specialty pharmaceutical company committed to provide solutions for overlooked and unmet medical needs through patient-focused, innovative science and technologies.	North Brunswick
42	Sunbird Software, Inc.	Sunbird Software, Inc. fka Raritan Solutions, Inc. (a new company) is in the business of developing, distributing, deploying, maintaining, and supporting Data Center Infrastructure Management software solutions to medium to large data centers.	Somerset
43	Svelte Medical Systems	Svelte Medical Systems, Inc. is a privately held company engaged in the design and development of highly deliverable balloon expandable stents.	New Providence
44	Tallyx, Inc.	Tallyx Inc. (a new company) builds a global decentralized platform for trade and supply chain finance. They use blockchain and artificial intelligence technologies to solve financial supply chain inefficiency, data breach, trade fraud and to provide working capital finance access.	Princeton
45	Throtle, Inc.	Throtle, Inc. (a new company) is a data centric identity resolution and data onboarding company.	Red Bank
46	TrialScope	TrialScope is engaged in providing proprietary software to clinical trial sponsors to comply with evolving legislation and internal policies, to register clinical trials, and improve global disclosure processes.	Jersey City

47	Truefort Inc	Truefort Inc. (a new company) develops cyber security software products used by enterprises to protect their critical business applications on premise and in the cloud.	Weehawken
48	Tulex Pharmaceutical Inc	Tulex Pharmaceutical Inc. (a new company) is a technology driven specialty pharmaceutical company with a focus on developing pharmaceutical formulation/process technologies that can be applied to existing approved drugs or NCE (new chemical entity) drugs awaiting FDA approval.	Cranbury
49	United Silicon Carbide Inc. (USC)	UnitedSiC is commercializing silicon carbide power devices (SiC). SiC is a wide band-gap semiconductor that is much more energy efficient and extremely temperature resistant compared to silicon.	Monmouth Junction
50	WellSheet, Inc.	WellSheet, Inc. is a software company that uses machine learning and artificial intelligence to improve the efficiency and work experience of doctors by predicting and presenting doctors with actionable items.	Newark

Attachment B -
NOL Threshold Eligibility Requirements

Each applicant must meet each of the legislative requirements below.

1. "Biotechnology business"
   a. "headquarters or base of operations located in New Jersey".
   b. "that owns, has filed for, or has a license to use protected, proprietary intellectual property and whose primary business is the research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes, agricultural purposes, and environmental purposes.".

2. "Emerging technology business"
   a. "headquarters or base of operations located in New Jersey".
   b. "that owns, has filed for, or has a license to use protected, proprietary intellectual property whose primary business is the provision of a scientific process, product, or service and that employs some combination of the following: highly educated and/or trained managers and workers employed in New Jersey who use sophisticated scientific research, service or production equipment, processes or knowledge to discover, develop, test, transfer or manufacture a product or service."

3. "New or expanding" - "On June 30 of the year in which the company files an application for surrender of unused but otherwise allowable tax benefits under P.L.1997, c.334 (C.34:1B-7.42a et al.) and on the date of the exchange of the corporation business tax benefit certificate," a company must have
   a. fewer than 225 employees in the United States of America; (In calculating the number of employees under this definition, employees of all affiliates and subsidiaries as shown on its consolidated financial statements, employees of any company that owns or controls at least 50 percent of the applicant, as well as the employees of any consolidated group of affiliated corporations as filed for Federal income tax purposes shall be included.)
   b. at least one <u>full-time employee</u> working in this State if the company has been incorporated for less than three years
   c. at least five <u>full-time employees</u> working in this State if the company has been incorporated for more than three years but less than five years
   d. at least 10 <u>full-time employees</u> working in this State if the company has been incorporated for more than five years

4. "Full-time employee" - means a person employed by a new or expanding emerging technology or biotechnology company
    a. on a permanent or indefinite basis
    b. for consideration for at least 35 hours a week
    c. whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq
    d. "or who is a partner of a new or expanding emerging technology or biotechnology company who works for the partnership for at least 35 hours a week… and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq"
    e. A "Full-time employee" must also be considered a "Full-time employee working in this State" which means a full-time employee whose primary office is in New Jersey and who spends at least 80 percent of his or her time in New Jersey.
    f. It shall not include any person who works as an independent contractor or on a consulting basis for the new or expanding emerging technology or biotechnology business; or any person who works as an intern, as a temporary employee, or in a temporary position.
    g. To qualify as a "full-time employee," an employee shall also receive from the new or expanding emerging technology or biotechnology company health benefits under a group health plan as defined under section 14 of P.L. 1997, c. 146 (N.J.S.A. 17B:27-54), a health benefits plan as defined under section 1 of P.L. 1992, c. 162 (N.J.S.A. 17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of chapter 27 of Title 17B of the New Jersey Statutes.

5. "Financial statements"
    a. Application must include a Draft or Final prepared Financial Statement.
    b. Applicant cannot be approved if it "Has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its financial statements".
    c. Must meet the definition of a "Financial Statement" which is defined as "a statement prepared by an independent Certified Public Accountant (CPA), which shall include an opinion letter indicating the scope of the services performed (compilation, review, or audit) in accordance with Generally Accepted Accounting Principles (GAAP) as determined by the Financial Standards Accounting Board (FASB) and shall include a balance sheet, statement of income and expenses, cash flow statement, other statements as determined by the independent CPA, and footnotes where applicable".
    d. If an applicant submits a draft Financial Statement, the Final Financial Statement must be received no later than September 31st of the program year.

e. If an applicant submits a draft Financial Statement, the Final Financial Statement must include no material changes from the Draft submitted at application.
f. If an applicant “Is directly or indirectly at least 50 percent owned or controlled by another corporation” then the controller must also follow steps A-E.

6. “Protected Proprietary Intellectual Property” –means intellectual property that is
   a. the technology of the applicant's primary business as a technology or biotechnology business
   b. protected via a patent pending,
   c. protected via a patent awaiting approval,
   d. protected via an approved patent,
   e. or protected via a registered copyright

7. Applicant must provide all applicable documentation to the NJEDA and any additional clarifying items that the NJEDA deems as necessary.

Attachment C
Disapprovals:

<u>Eagletree-Pump Acquisition Corp. dba Airtech, Inc.</u> is a leading global designer and manufacturer of vacuum pumps, blowers and vacuum and compressor systems.

Recommendation – Due to a lack of evidence to show the applicant meets NOL threshold eligibility requirements: #5 (a,b,c,& f) for financial statements requirements, and #7

- Eligibility Requirement #7
  - Applicant did not provide the following documentation at application. Applicant claimed it was submitted, but IT was unable to find evidence to substantiate claim.
    - Exhibit Description
      - B - Written company description
      - C - IP verification – Patent applications/documentations
      - F - Federal payroll form 941 for Second Quarter 20202
      - H - Healthcare Optouts (not all employees included)
      - I - Financial Statements

- Eligibility Requirement #5 (a,b,c,& f)
  - The Applicant submitted financial statements for EagleTree-Airtech Holdings LLC (parent of the parent of the applicant).
    - These financial statements showed a positive operating income for 2019 of $4,852,703.
    - Financial statements were not consolidating and did not show separate operations for both subsidiaries and they did not submit consolidated statements for either entity.
      - Eagletree-Pump Holdings Corp
      - Eagletree-Pump Acquisition Corp
    - Financial Statements Provided were incomplete and while referencing footnotes did not include footnotes.
    - No financial statements were provided for EagleTree-Airtech Intermediate Holdings LLC (parent of EagleTree-Airtech Holdings LLC).

The applicant has been informed of all developments and was informed about staff's recommendation for disapproval. The applicant was given the option to withdraw their application and has chosen to move forward with board consideration. Company was informed that these were the initial declination reasons, as there was incomplete information given. Additional reasons may become apparent during further due diligence.

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Edison Innovation Fund & NJ CoVest Program(s) Covid19 Amendments

Summary

In October 2006 and April 2017, respectively, the Members approved the Edison Innovation Fund (Angel & VC Loan programs) and NJ CoVest Fund. These funds are focused on creating, sustaining and growing technology and life science businesses that provide high-paying job opportunities to New Jersey Residents. The programs provide long-term, low-cost loans to eligible companies following the infusion of an independent "fresh" match funding, which funded within 90 days prior to their application.

On March 9, 2020 Governor Murphy issued Executive 103 (EO103) declaring a State of Emergency and a Public Health Emergency and on March 26, 2020 the members approved a suite of relief efforts to support business during this time of emergency. Since this initial board action EDA's operational priorities have focused on supporting immediate needs of businesses through the pandemic. As a consequence of EDA's charge to provide emergency relief funding support to businesses through Covid19, staff resource constraints during this time limited the opportunity for businesses to progress applications for these traditional support tools. Therefore, businesses which may have benefitted from these two named support tools may have missed the 90-day window of opportunity to apply for these programs. Approval of this request will preserve the opportunity for businesses meeting all other eligibility criteria to apply for either of these programs through March 26, 2021 (a timeline expiring one year from the first EDA Board approved Covid19 relief support programs).

Request

Since program inceptions, EDA has closed 8 Edison Innovation Angel or VC Growth Fund loans, and 6 NJ CoVest loans. In aggregate, these loans have provided $7.7M of support to New Jersey Businesses. Funds are provided from the Economic Recovery Fund (ERF). As a reminder of the program benefits and structures:

1. **NJ CoVest:** The NJ CoVest Fund provides seed funding to New Jersey technology and life sciences companies to further commercialize their technology and scale revenues. Investments made through the NJ CoVest Fund align with the NJEDA's ongoing strategy of supporting New Jersey's early entrepreneurial businesses .

   PROGRAM DETAILS:
   •Investment in the form of Convertible Notes with Warrants.
   •Individual Note amounts between $100,000 - $250,000 based on match funding and NJEDA analysis of company financing and operations, management team and experience, the product and target market, as well as investor type and involvement.
   •Protected intellectual property required as a negative pledge and springing lien in event of default.
   •Note matched $1 (NJEDA) to $2 (Qualified Outside Investment).
   •Note can represent no more than 33% of current financing round.
   •Minimum round size of $300,000 (including NJ CoVest Fund investment, i.e. $200,000 of outside capital from at least two investors, plus $100,000 from EDA).
   •Company must have raised some financing previously.
   •Maximum NJEDA debt exposure of $1.75 million (NJ CoVest Fund and Edison Innovation Fund).
   •No restriction on participation in NJEDA incentive programs.
   •Company must present and receive positive review from NJEDA's Technology Advisory Board (TAB).

2. **Edison Innovation Fund – (Angel & VC Growth Loans):** Angel supported New Jersey-based technology companies with minimum trailing 12 month commercial revenues of $250,000 derived from core business activities, such as the sale of technology products, may be eligible for up to $250,000 in growth capital through the Edison Angel Loan. Venture capital (VC) supported New Jersey-based technology companies with minimum trailing 12-month commercial revenues of $500,000 derived from core business activities, such as the sale of technology products, may be eligible for up to $1,000,000 in growth capital through the Edison Innovation Fund. The Edison Innovation Loans leverage private angel investors (Angel Loan) or institutional & venture-backed investment (VC Loan) in support of early-stage, emerging technology businesses in a less dilutive manner than equity, and the financing can be used for key hires, product rollout, product enhancement, and marketing/sales.

   PROGRAM DETAILS:
   •Company must be structured as a C-Corporation or a LLC with Unit Structure.
   •Company must employ 75% of its W-2 employees in New Jersey or commit to growing 10 high-paying jobs over two years (minimum salary of $75k).
   •Company must have minimum trailing 12-month commercial revenues of $250,000 derived from the core technology business revenues (Angel Loan)
   •Company must have minimum trailing 12-month commercial revenues of $500,000 derived from the core technology business revenues (VC Loan)
   •Company must be a developer/owner of protected proprietary technology.
   •Company must have a full-time management team with domain experience.
   •Company's founders/management team must have equity in the company (sweat equity not considered).
   •Company must occupy physical commercial office space.

•2:1 fresh matching funds from angel or angel group must be received within 90 days prior to application. (Angel Loan)
•1:1 fresh matching funds from venture capital firm received within 90 days prior to application. (VC Loan)
•Company must be a developer/owner of protected proprietary technology.
•Company must have a full-time management team with domain experience.
•Company's founders/management team must have equity in the company (sweat equity not considered).
•Company must occupy physical commercial office space.
•Maximum NJEDA debt exposure of $1.75 million (NJ CoVest Fund and Edison Innovation Fund).
•No restriction on participation in NJEDA incentive programs.
•Company must present and receive positive review from NJEDA's Technology Advisory Board (TAB).

EDA's CRM system details 6 potential opportunities for the NJ CoVest and Edison Innovation loan programs at the time of this memo. These are companies that might have submitted applications since March 26, 2020 through today. Without the staff bandwidth to attribute due resource to evaluate these potential applications, it is unknown how many of these would have, otherwise, progressed to the application state. Under normal circumstances, to appropriately ascertain likelihood of eligibility, and align programs with relevant businesses, a potential applicant may not submit an application without EDA staff coordination. For example, the applications require meaningful time on the part of both the applicant and staff, along with fees associated with applications. The applications are password protected to prohibit ineligible businesses from submitting misplaced applications before an initial pre-screening and engagement by staff.

Staff is just beginning to find bandwidth to revert to resource these traditional programs. For that reason, staff is seeking approval to waive the 90-day matching capital raise requirement to temporarily suspend this 90-day period through March 26, 2021 for businesses that did close on a qualifying independent match-funding raise after March 26, 2020. Effective March 26, 2021 the 90-day capital match requirement would resume. All other existing program eligibility requirements will remain in place with EDA's standard diligence and underwriting requirements.

Recommendation

Approval is requested to temporarily amend the 90-day matching capital raise requirement and suspend this period through March 26, 2021 for businesses that did close on a qualifying independent match-funding raise and do meet all other traditional diligence and underwriting requirements, relative to the Edison Innovation Angel Growth and Venture Growth Fund loans, and the NJ CoVest loan programs. Effective March 26, 2021 the 90-day capital match requirement would resume.

Tim Sullivan, CEO

Prepared by: Timothy B. Rollender

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

Subject: Consulting Services for Creation of the New Jersey Green Fund

Request

Members of the Board are asked to approve:

- **i.** The Authority entering a contract with the Coalition for Green Capital (CGC), a non-profit organization with offices in Washington, D.C. and New York City, to provide consulting services to support the design and implementation of a statewide green financing mechanism (the New Jersey Green Fund, or the Fund).; and
- **ii.** A not-to-exceed project budget of $700,000 for the work to be performed under the contract. The amount includes a firm-fixed price of $300,000 for a specifically identified set of deliverables during Phase 1 of the contract. It also includes up to $400,000 for any and all work that we may request CGC to undertake during Phase 2 (implementation), together with any additional work we may request with respect to Phase 1. In all cases these work requests would be triggered via task orders utilizing a fixed rate card.

The initial term of the contract is one (1) year, with the option of one (1), six (6)-month extension. Funding for the contract will be drawn wholly from Regional Greenhouse Gas Initiative (RGGI) funds, which are allocated to the Authority annually under the Global Warming Solutions Fund Act.

Contractor selection was based on a publicly advertised procurement that resulted in three (3) proposals being scored by an Evaluation Committee according to technical criteria (Personnel, Experience of the Entity, and Technical Proposal) and the fixed-rate price, which is ranked in order from highest to lowest by IPM Procurement.

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Background: Regional Greenhouse Gas Initiative (RGGI) and the creation of a New Jersey Green Fund

On January 29, 2018, Governor Murphy signed Executive Order 7 (EO 7), instructing state government agencies to return New Jersey to full participation in the Regional Greenhouse Gas Initiative (RGGI) as quickly as possible.[1] RGGI is a multi-state, market-based program that establishes a regional cap on carbon dioxide (CO2) emissions from the electric power generation sector allowing for auctioning of emissions rights.

Based on its participation in the quarterly RGGI auctions, New Jersey plans to invest an estimated \$80 million each year in programs that reduce GHG, drive forward projects that boost clean energy and create jobs, protect the health of residents in environmental justice communities, and increase the resiliency of coastal communities. New Jersey's proceeds from the three (3) RGGI auctions held thus far in 2020 total approximately \$66 million, with full calendar-year proceeds estimated in the range of \$80 million.

RGGI funds allocation is governed by the Global Warming Solutions Fund Act (P.L. 2008, c. 340). By law, three state agencies (NJEDA, the New Jersey Department of Environmental Protection (NJDEP), and the New Jersey Board of Public Utilities (NJBPU)) are allocated RGGI proceeds, with NJEDA receiving 60 percent (focus area: commercial, institutional, and industrial entities), and NJBPU and DEP each receiving 20 percent (focus areas, respectively: low income and moderate income residential; and local government, forest, and tidal marshes).

Background: Stimulating the flow of private lending to support clean energy deployment and the New Jersey economy

NJEDA is open to considering a wide range of approaches to the establishment and operation of a Green Fund, provided that the approach selected meets the core requirements of stimulating and leveraging private sector investment in clean energy; rapidly reducing New Jersey's carbon footprint and the emission of harmful pollutants into the State's air and water; and providing direct economic benefits to the citizens of New Jersey, with a focus on environmental justice communities, including, but not limited to increasing job creation and local investment and the lowering of energy costs.

In light of the challenging fiscal situation caused by the COVID-19 pandemic, several objectives for the Green Fund's design and implementation have become even more critical in recent months. For example, the Authority will prioritize products that can be launched and experience strong uptake quickly, and can make a rapid, positive impact on job creation, investment and economic productivity in the state. To the extent feasible, it will seek to build upon existing offerings of other state agencies as well as programs that have already been deployed by green finance institutions in other states and localities.

[1] Executive Order 7 (EO 7) is available at: https://nj.gov/infobank/eo/056murphy/pdf/EO-7.pdf

NJEDA

Procurement Objectives & Deliverables

The proposed contract with the Coalition for Green Capital is comprised of two phases:
(i) During Phases 1A and 1B, which, together, will focus on the design and launch planning for the Green Fund, fixed deliverables shall be provided by CGC in exchange for a firm, fixed price amount of $300,000. Phases 1A and 1B include the option of additional task orders with compensation to be determined based upon hourly rates.

(ii) During Phase 2, which will focus on implementation of the Green Fund design and launch plan determined during Phases 1A and 1B, any work to be performed under the contract will be based upon specific task orders, also with compensation to be determined based upon hourly rates provided in the Fee Schedule.

Through this contractual engagement, NJEDA is seeking to draw on outside, specialized expertise and US and global best practice for the purposes of the design, launch planning and implementation of the New Jersey Green Fund. More specifically, the consultant will:

During Phase 1A: Assess existing NJ clean energy financial support programs and conduct a market gap analysis; engage with clean energy and energy finance stakeholders, identify and assess potential funding sources to capitalize, as of launch and over the near-and long-term, the Fund; and evaluate potential combinations of legal-organizational and governance structures for the Fund and develop a preliminary recommendation on approach.

During Phase 1B: Finalize recommendations with regard to the Fund's organizational form, governance arrangements and capitalization strategy; develop a set of recommendations for programs and products to be offered by the Green Fund; prepare initial draft one-year and three-year business plans for Fund, together with pro forma financials; and prepare one or more pitch packs for use during a road show to be undertaken during Phase 2.

During Phase 2: Provide support for the launch plan developed during Phases 1A and 1B, if and when requested.

The not-to-exceed budget of $700,00 that Staff is requesting for the overall funding of the project consists of (i) $300,000 for the fixed deliverables during Phases 1A and 1B, and (ii) up to an additional $400,000 to cover the cost of work that may be undertaken by CGC pursuant to specific task order requests during those Phases, or during Phase 2. As noted above, for Phase 2 fixed deliverables have not been defined yet, however examples of work could include: road show planning, drafting of the forms of documents used in the administration of a program, or advisory support in discussions with potential funding sources and strategic partners. Any work

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performed by CGC pursuant to task order requests during the engagement would be at hourly rates no higher than what CGC proposed in its bid.

CGC's proposal contemplates that they will engage a subcontractor, the New York City Energy Efficiency Corporation (NYCEEC), to assist CGC in its completion of the Scope of Work, principally in regard to Phase 1B and Phase 2. NYCEEC is an independent, not-for-profit corporation based in New York City that has operated as an energy efficiency and renewable energy lender for approximately 10 years. Although its principal lending activities to date have focused on New York City, it also operates elsewhere in New York State as well as in other states in the region, and the District of Columbia.

Staff has consulted with the New Jersey Board of Public Utilities, the New Jersey Department of Environmental Protection and the New Jersey Infrastructure Bank in shaping the scope of this engagement, and plans to collaborate with these parties, as well as other New Jersey government agencies, on the design, planning and implementation of the Green Fund. In addition, earlier in the year, the Authority issued a Request for Information (RFI) to the public regarding the potential creation of a New Jersey Green Fund. Findings from the approximately two dozen parties who responded to the RFI informed the preparation of the RFQ/P and will be fed into the work of the consultant and the program design and planning process.

The consultant is anticipated to begin work in early December 2020, with the various written deliverables to be provided at agreed milestones over a 9-to-11-month period. The Authority will use these deliverables, together with its continuing engagement with governmental and public stakeholders, community, and other stakeholders, to design the Green Fund and plan its launch, including its initial set of proposed programs. Staff expects that any programs that are recommended would require separate approval by the Board prior to launch.

Procurement Process Utilized

Authority Staff are procuring services in accordance with public procurement laws and requirements and have followed the Authority's publicly advertised process.

The RFQ/P was posted publicly on September 1, 2020. It was advertised in three (3) newspapers – Courier Post, Trenton Times, and Star Ledger – for two (2) days, posted on the NJ State Business Portal, and posted on the Authority's website, and made available for more than ten (10) days for bidder submissions. An optional proposal conference was held telephonically on September 9, 2020, and a question period was open until September 14, 2020. NJEDA responses to all questions were shared in Addendum 1 to the RFP, posted on the Authority's website on September 17, 2020.

NJEDA

Prior to the publishing of the RFQ/P, an Evaluation Committee was established comprised of qualified Authority staff. Further, as part of its due diligence in its evaluation process, the Authority consulted with Subject Matter Experts from elsewhere in New Jersey State government. These Subject Matter Experts were non-voting members of the Evaluation Committee.

Bids closed on October 5, 2020, and the Committee formally convened for the first time on October 7, 2020 to review the evaluation criteria and scoring timelines. They reconvened on October 14, 2020 to discuss the strengths and weaknesses of the proposals and requested that IPM Procurement check references for and seek clarifications from the Coalition for Green Capital. Once the information was received and communicated, the Committee members submitted independently scored proposals for three of the four scoring categories, Personnel, Experience of the Entity and Technical Proposal. IPM Procurement independently ranked and scored the fourth category, fixed-rate price from highest to lowest. Hourly rates were submitted for any additional work that may be required in the future, but weren't used in evaluating price. Weights were assigned to each scoring category prior to the bid opening date and time, but weren't revealed in the RFQ/P.
The four scoring categories and their respective assigned percentage scoring weights, were as follows

- Personnel's individual relevant qualifications for team roles and the Scope (20%);
- Experience of entity, demonstrated through reference projects of similar size and scope to the RFQ/P Scope (20%); and
- Ability to complete the Scope of Work based on the proposer's Technical Proposal (40%).
- Pricing (20%)

Procurement Process Results and Justification for Award Recommendation

Three (3) vendors submitted proposals by the October 5, 2020 deadline, with all deemed responsive by the Sr. Procurement Officer. The vendors who submitted Proposals were as follows:

- Guidehouse, Inc.
- McKinsey & Company
- Coalition for Green Capital

Based on the independent scoring by Evaluation Committee members, the Coalition for Green Capital was the highest ranked proposal, based on Personnel, Experience of Entity, and Technical Proposal, and inclusive of the results of the sealed Fee Schedule ranking. The total scores for the vendors are as follows (out of a maximum score of 5):

NJEDA

- Guidehouse, Inc. – 3.0
- McKinsey & Company– 2.85
- Coalition for Green Capital – 4.75

Recommendation

Members of the Board are asked to approve the Authority entering a contract with the Coalition for Green Capital to provide consulting services to the Authority in connection with the design, launch planning and implementation of the New Jersey Green Fund, and a not-to-exceed project budget of $700,000.

____
Tim Sullivan, CEO

Prepared by: Office of Economic Transformation (OET)

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Certification Extensions Under GROW NJ

Request:
Adopt a staff delegation to approve two six-month certification extensions, as authorized under the law, for Grow recipients that experience project completion and/or reporting delays as a result of conditions experienced during the current State of Emergency in the State.

Background:
The Economic Opportunity Act of 2013 (as amended in 2017) provides that Grow NJ projects must evidence that investment and employment requirements at the Qualified Business Facility ("QBF") are met within three years of the date of Board approval. Projects also must evidence green compliance, affirmative action/prevailing wage compliance, and provide a valid tax clearance. The law further allows for two six-month extensions at the discretion of the Authority, which are currently approved through delegated authority.

Staff currently has delegation to allow the two six-month extensions where Grow recipients have experienced delays in the ability to complete and/or certify projects due to environmental or construction delays, the need for added time to ramp up employment, and additional time needed for engaged CPA's to complete review of the project costs.

In response to the unprecedented circumstances presented by the COVID-19 pandemic and in recognition of the potential negative effects that the emergency may have on Grow NJ businesses, Governor Murphy has declared a State of Emergency. The Grow law has been amended to allow for two further six-month extensions from the end of the Emergency, potentially extending certification to five years or more from the date of approval under certain circumstances. To qualify to apply for these extensions, the Grow recipients must have already been allowed the initial two six-month extensions taking the certification deadline to four years from approval and must evidence the following to the satisfaction of the Authority:

1. The extensions are due to the economic disruption caused by the emergency;
2. The project is delayed due to unforeseeable acts related to the project beyond the eligible business's control and without its fault or negligence;

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3. The eligible business is using best efforts, with all due diligence, to proceed with the completion of the project and the submission of the certification; and
4. The eligible business has made, and continues to make, all reasonable efforts to prevent, avoid, mitigate, and overcome the delay.

In order to respond quickly to business needs at this challenging time, Members are asked to delegate to staff the ability to approve these two six-month Emergency-related extension requests. Staff will evaluate evidence of the requirements as outlined above as well as any related documentation that is pertinent to the request, such as WR-30s, contractor delays letters, updated construction timelines, etc. to determine whether the extension may be allowed. This delegation would require Director-level approval and would be reported to the Board quarterly.

Recommendation:
Adopt a staff delegation to approve two six-month certification extensions, as authorized under the law, for Grow recipients that experience project completion and/or reporting delays as a result of conditions experienced during the current State of Emergency in the State.

Tim Sullivan, CEO

Prepared by: Susan Greitz

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) GRANT PROGRAM

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Conditions Extensions Under Economic Redevelopment and Growth Grant

Request:
Adopt a staff delegation to approve up to two six-month conditions extensions beyond the initial two six-month extension already allowed. The new delegated authority would be for ERG recipients that experience project conditions satisfaction and/or reporting delays as a result of COVID-19 related impacts experienced during the current Public Health Emergency in the State.

Consent to the waiver of fees for approved municipal or municipal authority projects for the initial two six-month conditions extensions during the current Public Health Emergency in the State.

Background:
The Economic Redevelopment and Growth Grant law, as revised under the NJ Economic Opportunity Act of 2013, as amended, provides that within one year following the date of approval, the developer shall satisfy certain conditions evidencing progress, including but not limited to site control, site plan approval, and financing commitments. The rule further clarifies, stating, "[u]nless otherwise determined by the Authority in its sole discretion, the Authority's approval of the tax credits shall expire if the progress information is not received by the Authority within one year of the date of application approval." N.J.A.C. 19:31-4.9(d).

On March 9, 2020, Governor Phil Murphy issued EO 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of COVID-19. Shortly thereafter a temporary moratorium on non-essential construction was enacted. As a result, many ERG projects were delayed. Projects that relied on financing also experienced unforeseen delays in obtaining financing as banks reevaluated the underwriting of several projects.

In response, the Authority has made efforts to provide reasonable and responsible accommodations to incented developers who have experienced unforeseeable delays in project completion.

Additional Two Six-Month Conditions Extensions
In order to respond quickly to business needs at this challenging time, Members are asked to delegate to staff the ability to approve up to two additional six-month conditions extension requests. To qualify for these extensions, the ERG recipient must demonstrate that there are delays

caused by COVID-19 or the measures taken by the State as a result of the Emergency. Staff will request and review updated conditions and construction timelines to better understand the ongoing project delays. (Note that under the current statute residential and mixed-use parking projects must evidence project completion by July 28, 2021, and certain municipal projects by July 28, 2022. Commercial projects do not have a statutory deadline.)

Generally, conditions extensions for approved projects are not allowed where a project cannot demonstrate the ability to complete and certify by the statutory deadlines. However, certain incentive deadlines have previously been extended through legislative amendments, and that may occur again. Thus, staff may approve extensions even though the project may not be able to complete the project by the current statutory deadline.

By allowing projects additional time to satisfy conditions knowing that some projects may ultimately be unable to complete timely if the law is not amended, the EDA is not intending to negate the projects' requirements to comply with the statutory deadlines. Rather, staff has determined that this will allow those projects to remain in compliance while those discussions are ongoing. Because ERG is performance based, no cash payment or tax credit will be issued unless the developer completes the project under the applicable statutory deadline. Thus, these developers will bear the risk that the current statutory deadline is not amended.

This delegation would require Director-level approval and would be reported to the Board quarterly.

<u>Existing Fees</u>

EDA policy, as indicated through the fee structure stated in the regulation, allows for two six-month extensions at the discretion of the Authority, which are currently approved through delegated authority. A non-refundable fee of $1,000 shall be paid for the first six-month extension and $2,500 shall be paid for the second six-month extension. These fees apply to commercial, residential, parking and municipal projects.

Staff requests that the existing fees for the first two six-month extensions be waived during the duration of the Emergency for approved municipal or municipal authority projects pursuant to EDA's general administrative rule at N.J.A.C. 19:30-6.7. That rule, which has been used for the emergency COVID-19 programs, authorizes the CEO, with the approval of the members, to waive fees upon demonstration of the applicant that the fee would impose undue financial hardship. As explained in the legislative statements to L. 2020, c. 74 (signed August 31, 2020), which authorizes municipalities and counties to borrow funds for COVID-19 related revenue shortages, municipalities, and municipal government bodies, such as parking authorities, have experienced significant declines in revenue and increased costs as a result of the impacts of COVID-19. Moreover, these public purpose projects, in particular, have narrow margins. This waiver would not be applicable to commercial projects.

Staff recommends that this rule modification be in effect through end of the public health emergency.

Recommendation:
Adopt a staff delegation to approve up to two six-month conditions extensions beyond the initial two six-month extension for ERG recipients that experience project conditions satisfaction and/or reporting delays as a result of COVID-19 related impacts experienced during the current Public Health Emergency in the State.

Consent to the waiver of fees for approved municipal or municipal authority projects for the initial two six-month conditions extensions during the current Public Health Emergency in the State.

Tim Sullivan
Chief Executive Officer

Prepared by: Alexis Krul

NJ FILM AND DIGITAL MEDIA TAX CREDIT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: Camdrew Productions LLC PROD-00188067

APPLICANT BACKGROUND:
Camdrew Productions LLC is the production company responsible for "Faces". The story is an eight-hour limited series written and executive produced by Stephen King and starring Oscar winner Julianne Moore. It is a deeply personal thriller that follows a wife two years after the death of her husband. A series of events causes her to begin facing amazing realities about him that she had repressed and forgotten.

The film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the film.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. Total Film Production Expenses: A minimum of 60% of the film's total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2023 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	$106,722,144
B. Total Post-Production Expenses	$12,231,958
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	$1,674,360
Percentage Calculation = C/(A-B)	1.77%
Criterion Met	**No**

2. Qualified Film Production Expenses: During a single privilege period, the film must have more than $1 million in qualified film production expenses. "Qualified film production expenses" are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. "Qualified film production expenses" shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible

personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a "qualified film production expenses" unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). "Qualified film production expenses" shall not include: expenses incurred in marketing or advertising a film; and payment in excess of $500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Qualified Film Production Expenses incurred in NJ during the 2019 privilege period.	$1,674,360
Criterion Met	**Yes**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
30% of Qualified Film Production Expenses	$1,674,360 x 30% =	$502,308.00
Bonus Criteria Met		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.	$1,674,360 x 2% =	$33,487.20
5% of Qualified Film Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$0 x 5% =	$0.00
Total Award		**$535,795.20**

APPLICATION RECEIVED DATE:	10/22/2019 (Application #31)
DATE APPLICATION DEEMED COMPLETE:	1/6/2020
PRINCIPAL PHOTOGRAPHY COMMENCEMENT:	10/23/2019
PRINCIPAL NJ PHOTOGRAPHY LOCATION:	Franklin Township
ESTIMATED DATE OF PROJECT COMPLETION:	11/30/2020
APPLICANT'S FISCAL YEAR END:	12/31/2020
TAX CREDIT VINTAGE YEAR(S):	2020
TAX FILING TYPE:	Corporate Business Tax
ANTICIPATED CERTIFICATION DATE:	4/30/2021

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to

N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

The Garden State Film and Digital Media Jobs Act originally provided a total of $75 million in tax credits for State Fiscal Year 2019 and increased to $100 million as amended by law on 1/21/2020. The program amendment also allows $50 million of unused allocation to carry over to the subsequent State Fiscal Year. As a result, $150 million of film tax credits are available for State Fiscal Year 2021. After today's approvals, $145.2 million remains in the program for State Fiscal Year 2021 which may be available to 12 additional applications in the pipeline totaling $43.6 million.

APPROVAL REQUEST:
The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award, and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

APPROVAL OFFICER: S. Novak

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: Morning Star Films, LLC. PROD-00188016

APPLICANT BACKGROUND:
Morning Star Films, LLC is the production company responsible for “Pretty Bird”. The story involves a nature lover as he enjoys wildlife in the peninsula of southern New Jersey. He becomes fixated on a beautiful, young married woman he encounters in nature. The “love” triangle heats up and at the end there are two dead bodies and the Pretty Bird is revealed.

The film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the film.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. Total Film Production Expenses: A minimum of 60% of the film’s total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2023 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	$781,750
B. Total Post-Production Expenses	$109,200
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	$672,550
Percentage Calculation = C/(A-B)	100%
Criterion Met	**Yes**

2. Qualified Film Production Expenses: During a single privilege period, the film must have more than $1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the

production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a "qualified film production expenses" unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). "Qualified film production expenses" shall not include: expenses incurred in marketing or advertising a film; and payment in excess of $500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Total Qualified Film Production Expenses incurred in NJ in two privilege periods, of which at least $1 million is incurred in a single privilege period after July 1, 2018.	$781,750
Criterion Met	**No**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
30% of Qualified Film Production Expenses	$781,750 x 30% =	$234,525.00
Bonus Criteria Met		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.	$0 x 2% =	$0.00
5% of Qualified Film Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$249,650 x 5% = (Cape May County; primarily consisting of site fees and rentals)	$12,482.50
Total Award		**$247,007.50**

APPLICATION RECEIVED DATE:	10/16/2019 (Application #29)
DATE APPLICATION DEEMED COMPLETE:	1/2/2020
PRINCIPAL PHOTOGRAPHY COMMENCEMENT:	10/25/2019
PRINCIPAL NJ PHOTOGRAPHY LOCATION:	Cape May City
ESTIMATED DATE OF PROJECT COMPLETION:	10/25/2020
APPLICANT'S FISCAL YEAR END:	12/31/2020
TAX CREDIT VINTAGE YEAR(S):	2020
TAX FILING TYPE:	Gross Income Tax
ANTICIPATED CERTIFICATION DATE:	1/25/2021

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to

N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

The Garden State Film and Digital Media Jobs Act originally provided a total of $75 million in tax credits for State Fiscal Year 2019 and increased to $100 million as amended by law on 1/21/2020. The program amendment also allows $50 million of unused allocation to carry over to the subsequent State Fiscal Year. As a result, $150 million of film tax credits are available for State Fiscal Year 2021. After today's approvals, $145.2 million remains in the program for State Fiscal Year 2021 which may be available to 12 additional applications in the pipeline totaling $43.6 million.

APPROVAL REQUEST:
The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award, and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

APPROVAL OFFICER: S. Novak

BOND PROJECTS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Refunding Bond

APPLICANT: New Jersey-American Water Company, Inc. PROD-00228009

PROJECT USER(S): Same as applicant

PROJECT LOCATION: Various Various Townships Various Counties

APPLICANT BACKGROUND:

New Jersey-American Water Company, Inc., ("NJAWC"), established in 1915, a wholly-owned subsidiary of American Water Works Company, Inc., is a regulated public utility corporation engaged in the production, treatment and distribution of water and collection of sewage within its defined service territory in the State of New Jersey. NJAWC provides water service to approximately 651,000 customers and wastewater service to approximately 51,000 customers as of December 31, 2019. NJAWC's customers reside in 192 municipalities in 18 of New Jersey's 21 counties.

This project qualifies as an Exempt Public Facility- Water Project under Section 142(a)(4) of the IRS Code and therefore is exempt from the $20 million capital expenditure limitation under Section 144 of the Code.

OTHER NJEDA SERVICES:

NJAWC and the former Elizabethtown Water Co., which was merged into NJAWC in 2006, have been long-standing EDA applicants since 1979 with over $500 million in tax exempt bond financing. The outstanding bond financing which is the subject of this refunding request is: P34003 for $75,000,000 closed November 2010.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to reduce its interest expense by refunding the outstanding balance of the 2010 bond issue.

This project is being presented for final approval.

FINANCING SUMMARY:

BOND PURCHASER: PNC Capital Markets LLC (Public Offering)

AMOUNT OF BOND: Not to exceed $75,000,000 Tax-Exempt.

TERMS OF BOND: Not to exceed 9 years; Fixed interest not to exceed 3.50%.

ENHANCEMENT: None

PRODUCT COSTS:

Finance Fees	$645,000.00
Accounting Fees	$100,000.00
Legal Fees	$225,000.00
Principal Amount to be Refunded	$75,000,000.00
TOTAL COSTS:	**$75,970,000.00**

PUBLIC HEARING: N/A

BOND COUNSEL: McCarter & English, LLP

DEVELOPMENT OFFICER: Monika Athwal

UNDERWRITER OFFICER: Steven Novak

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: NJEDA School Facilities Construction Bonds, 2021 Series QQQ

DATE: November 13, 2020

SUMMARY OF PROPOSED FINANCING

The Authority is being asked to approve the issuance of one or more series of School Facilities Construction Bonds, 2021 Series (the "2021 Series Bonds") and various related actions described below. The 2021 Series Bonds (to be issued in an amount not to exceed $350 million), will be used to finance costs authorized by Section 201(1) of the Authority's School Facilities Construction Bond Resolution. The proceeds of the 2021 Series Bonds will be used for new money purposes within the meaning of the Act (as defined below), which will count against the statutory debt issuance limitation placed on the School Facilities Construction Program, and pay costs of issuance.

BACKGROUND

Since April 2001, the Authority has issued prior series of tax-exempt and federally taxable School Facilities Construction Bonds and Notes in the aggregate principal amount of $11,501,804,000 for new money projects under the Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the "Act"). Additionally, the Authority has issued prior series of refunding bonds and notes in the aggregate principal amount of $15,848,785,000 that restructured and/or refunded all or a portion of multiple Series of tax-exempt and federally taxable bonds and notes previously issued under the Act.

As of November 1, 2020, the Authority, in connection with the School Facilities Construction Program (the "School Program"), had $9,576,427,000 of tax-exempt and federally taxable bonds and notes outstanding.

PLAN OF FINANCE

The Authority is being asked to approve the issuance of one or more series of 2021 Series Bonds.

The 2021 Series Bonds will be used to: (i) finance all or a portion of the costs of School Facilities Projects; and (ii) pay the costs of issuance of the 2021 Series Bonds.

APPROVAL REQUEST

The Authority is being requested to approve the adoption of the Forty-Third Supplemental School

Facilities Construction Bond Resolution (the "Forty-Third Supplemental Resolution") authorizing the issuance of one or more series of tax-exempt and/or federally taxable 2021 Series Bonds in an amount not to exceed $350 million. The 2021 Series Bonds will be issued for the purposes described above. The 2021 Series Bonds will be secured by the State Contract with the Treasurer, as amended by Amendment No.1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Act (the "State Contract").

The 2021 Series Bonds are expected to be issued as fixed rate, tax-exempt bonds, and subject to the following parameters, all as determined by an Authorized Officer of the Authority, in consultation with the Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel:

1. The final maturity of any 2021 Series Bonds will not exceed 30 years from the date of issuance;

2. The true interest cost of the 2021 Series Bonds will not exceed 6%; and

3. The Redemption Price for any 2021 Series Bonds will not exceed one hundred three percent (103%) of the principal amount of such 2021 Series Bond; provided that the Redemption Price of any 2021 Series Bond issued as a federally taxable 2021 Series Bond subject to optional redemption by the Authority pursuant to a "make-whole" provision may exceed one hundred three percent (103%) of the principal amount of such 2021 Series Bond.

The Authority is also being asked to approve certain actions of, and delegation of actions to, an Authorized Officer of the Authority with information provided by the Treasurer, Bond Counsel, and the Attorney General's Office and in consultation with, the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable, and as approved by the Treasurer, which actions are more fully set forth in the Forty-Third Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

1. To determine the date of issuance, sale and delivery, the maturity dates, the principal amount and the redemption provisions of each series of 2021 Series Bonds in accordance with the parameters set forth above;

2. To determine whether each series of the 2021 Series Bonds shall be issued as tax-exempt or federally taxable bonds; and

3. To select and appoint any additional co-managers and/or underwriters upon recommendation of the Treasurer, utilizing Treasury's RFP process in accordance with Executive Order No. 26 and Executive Order No. 37.

In exercising the Authority's discretion to approve specific transactions authorized under the Forty-Third Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer.

Professionals for the 2021 Series Bonds were selected in compliance with Executive Order No. 26. Chiesa Shahinian & Giantomasi PC was selected as Bond Counsel through a competitive

RFQ/RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFP process, the following professionals were chosen: Loop Capital Markets LLC, as senior managing underwriter and U.S. Bank National Association, as Trustee and Paying Agent. The Forty-Third Supplemental Resolution will also authorize an Authorized Officer of the Authority to take all necessary actions incidental to the issuance of the 2021 Series Bonds, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury's RFP process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members of the Authority are requested to: (i) approve the adoption of the Forty-Third Supplemental Resolution authorizing the issuance of the 2021 Series Bonds in the total aggregate principal amount not to exceed $350 million, as well as other matters in connection with the issuance and sale thereof and otherwise described above; (ii) approve the several actions and delegation of actions to an Authorized Officer of the Authority as may be necessary or advisable in order to issue the 2021 Series Bonds on terms which are in the best interest of the State; (iii) authorize the use of the aforementioned professionals; and (iv) authorize an Authorized Officer of the Authority to take all necessary actions incidental to the issuance of the 2021 Series Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Prepared by: Steven Novak

LOANS/GRANTS/GUARANTEES

BROWNFIELDS LOAN PROGRAM

NJEDA

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: November 13, 2020

Subject: Brownfields Loan Program – Modifications to Application Scoring Criteria, Application Review Process, and Delegated Authority

Summary

The Members are requested to approve:

1. Adjustment to one scoring criteria to correct a technical error with the allocation of the score.

2. An adjustment to the application review process previously approved by the Members, clarifying that an in-depth financial analysis as performed by NJEDA's Underwriting will occur after the project has been scored according to the scoring criteria, and only if the project meets the minimum requisite score, and funding exists to satisfy the loan request in full.

3. Delegated Authority for staff to decline applications based upon non-discretionary criteria.

Background

Through his comprehensive economic plan for building a stronger and fairer economy in New Jersey, Governor Murphy has identified the remediation and redevelopment of brownfield sites as an important component of smart planning that will allow New Jersey to meet its goals for economic growth while minimizing the environmental impact and sprawl that is the byproduct of new development. On April 9, 2019, the Members approved utilization of $15,000,000 in Authority funds to capitalize and create the "Brownfields Loan Program" – a financing program to provide low-interest loans to applicants who seek to remediate brownfield sites.

The Brownfields Loan Program is an important investment tool that will facilitate the redevelopment of brownfields by addressing funding gaps to make the remediation phase of project financially viable, after which construction financing can be more readily obtained by the developer. The goal is to fund projects that will perform remediation, abatement, and demolition activities to promote redevelopment of brownfield site(s) for commercial, retail, mixed-use development or expansion. Additional goals of this program are to increase the economic impact of the State's investment, reactivating long-stalled sites and encouraging job creation, as well as building a stronger and fairer economy in New Jersey while minimizing environmental impact and sprawl that is the byproduct of new development. The Brownfields Loan Program will further support the State's economic recovery by supporting projects that have heightened emphasis on beneficial site redevelopment end use that promote or enhance the environmental resiliency, public health or well-being of the community. Ultimately, this program promotes important policy goals such as health care accessibility, employment opportunities, and improved quality of life for New Jersey residents.

The Authority adopted amendments to the EDA's rules establishing parameters for direct loan products that pertain to financial assistance available under the Brownfields Loan Program, which were published in the October 7, 2019 issue of the New Jersey Register. On November 14, 2019, the Members approved (1) scoring criteria to determine eligibility and priority of funding for projects applying for financing within a competitive round of the Brownfields Loan Program; and (2) clarification of the interest only period along the 10-year term of the loan.

Scoring Criteria - Modifications

Under the program parameters approved by the Members on April 9, 2019 and November 14, 2019, applications will be accepted for the Brownfields Loan Program in competitive rounds. EDA staff will first screen applications to ensure base eligibility criteria are satisfied and then score against various factors to determine the application's overall rank in comparison to all applications. The ranking determines whether an application would proceed to traditional underwriting analysis as utilized by the Authority for other programs.

EDA staff noted the scoring metric should be corrected for a typographical error for the following question.:

Criteria 6: Project Viability & Need for Financing:

> "Are any DEP or EPA enforcement actions currently present at the site?"
> Scale: 0 or 5
> Comments: "0 (points) if no; 5 (points) if yes" is the response

The scoring Comment is an error, as the applicant should instead obtain the higher score of "5" if there are no enforcement actions.

.

Please see attached Scoring Criteria (Exhibit A) table with proposed scoring modification.

Level of Financial Analysis Performed Prior to Underwriting

Staff recommends that the level of review of the financial information that is provided with an application should be performed differently than what was initially outlined for the EDA Board, to reflect the functions and expertise of the EDA's divisions. Specifically, the April 9, 2019 Memo to the EDA Board regarding the "Proposed New Rules for the Brownfields Loan Program" provides the following relevant text (page 2):

> "*As part of the base eligibility requirements for financing, the Authority must determine through an underwriting analysis that the project is economically feasible,* and the project must demonstrate that a funding gap exists (essentially, that other financing is not currently available to the applicant). …
>
> Upon demonstrating that the project meets the base eligibility requirements, the project will then be scored by Authority staff according to public scoring criteria."

Instead of the contemplated approach, Authority staff recommends that there should be administrative completeness review of the financial documents during the base eligibility evaluation performed by the Brownfields division staff in order to verify whether the required information has been provided, at which point the application will be advanced to an evaluation committee to be scored along the scoring criteria. Should the application meet the minimum requisite score and should funding be available to fully satisfy the loan request, a more in-depth financial analysis to determine economic feasibility will then be performed by the Authority's Underwriting division. This change in process recognizes that the resources required to do a full financial analysis should only be spent on applications in which the minimum score has been achieved and for which funding is available to satisfy the loan request in full.

Delegated Authority

NJEDA staff seeks delegated authority from the Board to decline applications that do not meet the non-discretionary application requirements established for this program. The main purpose of this modification is (1) to avoid delays in the processing and funding of applications that are in the program queue, and (2) to allow for the communication of declinations at the earliest possible time so that declined applicants may begin the appeals process as needed. This approach is consistent with other recently approved EDA programs, where similar modifications were made for the same purposes.

Under this approach, NJEDA staff would be permitted to apply non-discretionary application requirements to potential applicants. Staff would then have the Authority to decline applications that do not meet these non-discretionary criteria, utilizing this newly delegated authority. This will help towards expediting both application processing/funding as well as the appeals process. In cases involving omissions or other deficiencies in a submitted application, staff may provide applicants a reasonable opportunity to cure prior to issuing a declination.

Under the approved Delegated Authority approach, the Senior Officer or the Senior Advisor of the Brownfields and Sustainable Systems Division, with the approval of a Senior Vice President, will be permitted to decline applications that do not meet the non-discretionary criteria.

Decisions made based on subjective criteria would remain under the purview of the Board. This includes all approvals, as well as declinations based on subjective criteria.

Recommendation

The Members are requested to approve: (1) A technical correction to a scoring criterion; (2) an adjustment to the application review process previously approved by the Members, clarifying that an in-depth financial analysis as performed by NJEDA's Underwriting will occur after the project has been scored according to the scoring criteria, and only if the project meets the minimum requisite score and funding exists to satisfy the loan request in full; and (3) Delegated Authority to decline applications based on non-discretionary criteria.

Tim Sullivan
Chief Executive Officer

Prepared by: Elizabeth Limbrick and Elizabeth George-Cheniara

Attachment:

- Exhibit A – Brownfield Redevelopment Loan Program Detailed Scoring Criteria

Exhibit A
Brownfields Loan Program Detailed Scoring Criteria

Criteria 1: Not-for-Profit				
Factor	Max Possible Points	Scale	Comments	Corrected Score
Is the applicant a not-for-profit entity	5	0 or 5	0 if no, 5 if yes	
Not for Profit Total	**5**			

Criteria 2: Economic Distress				
Factor	Max Possible Points	Scale	Comments	
Is the site located in a municipality ranked as one of the 50 most distressed municipalities per the NJDCA 2017 Municipal Revitalization Index	20	0 or 20	0 if no, 20 if yes	
Is the site located in an eligible NJ Opportunity Zone	10	0 or 10	0 if no, 10 if yes	
Is the site located in a municipality supported by NJDEP's Community Collaborative Initiative	5	0 or 5	0 if no, 5 if yes	
Economic Distress Total	**35**			

Criteria 3: Proximity to Public Transportation				
Factor	Max Possible Points	Scale	Comments	
Is the brownfield site located in a Planning Area 1 (Metropolitan) and within a one-half mile radius, with bicycle and pedestrian connectivity, to the mid-point of a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations, or a high frequency bus stop as certified by the New Jersey Transit Corporation.	10	0 or 10	0 if no, 10 if yes	
Proximity to Public Transportation Total	**10**			

Criteria 4: Consistency with Local Plans				
Factor	Max Possible Points	Scale	Comments	
Has the project provided a local redevelopment plan from the host municipality consistentent with this project?	5	0 or 5	0 if no, 5 if yes.	
Was a description of the zoning status provided, and is the site zoned for the proposed end use?	2	0 or 2	0 if no, 2 if yes.	
Does the site plan already have approval from the host municipality?	3	0 or 3	0 if no, 3 if yes.	
Consistency with Local Plans Total	**10**			

Criteria 5: Economic Benefit				
Factor	Max Possible Points	Scale	Comments	
Will the redevelopment of the project site result in an increase to the host municipality's tax base?	5	0 or 5	0 if no, 5 if yes.	
Number of permanent full-time jobs expected to be created as a result of the redevelopment of the project site	5	0 - 5	< 5 = 1, < 20 =2, < 35 = 3, < 100 = 4, 100+ = 5	
How significant is the estimated private investment that will occur as a result of the redevelopment of the project site	5	0 - 5	< $500K = 1, < $1 million = 2, < $2 million = 3, < $5 million = 4, $5 million+ = 5	
Will the redevelopment of the project site grow the number of small businesses or attract employers to the municipality/region?	5	0 or 5	0 if no, 5 if yes.	
Does the redevelopment of the project site include a plan for hiring of local residents?	5	0 or 5	0 if no, 5 if yes.	
If the redevelopment of the project site includes a plan for hiring of local residents, does the plan incorporate workforce development opportunities for those residents?	5	0 or 5	0 if no, 5 if yes.	
Will the primary use of the redeveloped project site be related to an innovation economy industry such as information and high-tech, life sciences, clean energy, advanced manufacturing, advanced transportation and logistics, finance and insurance, and non-retail food and beverage?	5	0 or 5	0 if no, 5 if yes.	
Economic Benefit Total	**35**			

Criteria 6: Project Viability & Need for Financing				
Factor	Max Possible Points	Scale	Comments	
Level of experience and qualifications of the applicant, specifically demonstrated history of successful completion of projects of similar size/scope.	10	0 or 10	0 if no, 10 if yes.	
Presence and strength of strategic partners, specifically with demonstrated history of successful completion of projects of similar size/scope.	5	0 or 5	0 if no, 5 if yes.	
Presence and amount of other funding commitments available to support the project	5	0 or 5	0 if no, 5 if yes.	
Has the applicant demonstrated the Brownfields Loan is necessary to complete the project	5	0 or 5	0 if no, 5 if yes.	
Are any DEP or EPA enforcement actions currently present at the site?	5	0 or 5	0 if no, 5 if yes.	0 if yes, 5 if no

Exhibit A

Brownfields Loan Program Detailed Scoring Criteria

Factor	Max Possible Points	Scale	Comments	Corrected Score
Have all local, state and Federal approvals necessary to advance the project been received?	5	0 or 5	0 if no, 5 if yes.	
Has preliminary site assessment and site investigation already been completed or is preliminary site assessment and site investigation not necessary?	5	0 or 5	0 if no, 5 if yes.	
Are the public utilities required for the redevelopment project already available at the site?	5	0 or 5	0 if no, 5 if yes.	
Project Viability & Need for Financing Total	**45**			

Criteria 7: Public Health & Environmental Benefits				
Factor	**Max Possible Points**	**Scale**	**Comments**	
The length of time the brownfield site has been abandoned or underutilized as a result of the contamination that exists on the site.	5	0 - 5	< 2 yrs = 1 point, 2-4 years = 2 points, 4-6 years = 3, 6-8 years = 4 points, 8+ years = 5 points	
Is there a direct relationship between the environmental contamination that exists on the the site and the prior use of the site?	5	0 or 5	0 if no, 5 if yes.	
Is the project addressing an unmet neighborhood, municipal and/or regional need	5	0 or 5	0 if no, 5 if yes.	
Does the redevelopment of the site include features that will promote or enhance walkability or bikeability?	5	0 or 5	0 if no, 5 if yes.	
Does the proposed project incorporate higher standards to address sea level rise, increased temperatures, changes in groundwater tables, increased rainfall intensity, or other climate impacts that may affect the performance of the site in the future	5	0 or 5	0 if no, 5 if yes.	
Has the project demonstrated "sustainable" practices they will follow during the awarded phases of the project that could include incorporation of energy efficiency and or "green energy".	5	0 or 5	0 if no, 5 if yes.	
Has the project demonstrated other public health and environmental benefits?	5	0 or 5	0 if no, 5 if yes.	
Public Health & Environmental Benefits Total	**35**			

Criteria 8: Stakeholder Engagement Process				
Factor	**Max Possible Points**	**Scale**	**Comments**	
Has the applicant identified stakeholders critical to the success of the project?	4	0 or 4	0 if no, 4 if yes.	
Has the applicant identified the roles that the stakeholders have in helping to achieve objectives?	4	0 or 4	0 if no, 4 if yes.	
Does the stakeholder plan include active stakeholders that represent local environmental justice interests	5	0 or 5	0 if no, 5 if yes.	
Has the applicant identified the communications channels that will be used to communicate with stakeholders?	2	0 or 2	0 if no, 2 if yes.	
Has the project been discussed at an open public meeting, or is the project on the agenda of an open public meeting at the time of this application?	5	0 or 5	0 if no, 5 if yes.	
Does the stakeholder process provide ample opportunity for meaningful engagement with the community (e.g. Has the stakeholder engagement process produced any feedback yet and has that feedback been incorporated into the project?)?	5	0 to 5	0 if no, 5 if yes.	
Stakeholder Engagement Process Total	**25**			

TOTAL APPLICATION SCORE				
MAXIMUM POSSIBLE POINTS	**200**			
MINIMUM REQUIRED POINTS	**75**			

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following municipal projects have been approved by the Department of Environmental Protection to perform remedial action activities. The scope of work is described on the attached project summary:

HDSRF Municipal Grants:

Prod 224176	Glassboro Borough (Glassboro Borough Sanitary Landfill)	$63,337.50
Prod 218899	National Park (Robert Hawthorne Sanitary Landfill)	$831,083.00

Total HDSRF Funding –November 2020	**$894,420.50**

Tim Sullivan, CEO

Prepared by: Kathy Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation - Government Facility

APPLICANT: Glassboro Borough PROD-00224176

PROJECT USER(S): Same as applicant

PROJECT LOCATION: Glassboro Borough Sanitary Landfill Glassboro Borough Gloucester County

APPLICANT BACKGROUND:

Between September 2009 and June 2010, Borough of Glassboro received an initial grant in the amount of $69,381 under P27504 to perform Remedial Investigation (RI) and a supplemental grant to perform additional RI in the amount of $250,981 under P31021. The project site, identified as Block 334, Lot 5; Block 335, Lot 1; Block 357, Lot 1 and Block 358, Lots 1&2 is a former landfill which has potential environmental areas of concern (AOCs). The Borough of Glassboro intends to acquire the project site and has satisfied Proof of Site Control. It is the Borough's intent upon completion of the environmental investigation activities, to redevelop the project site for a solar field.

NJDEP has approved this supplemental request for RI grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The matching 25% ($21,112.50) of funds is being provided by the designated developer for the project.

OTHER NJEDA SERVICES:

P27504, $69,381; P31021, $250,981

APPROVAL REQUEST:

The Borough of Glassboro is requesting aggregate supplemental grant funding to perform RI in the amount of $63,337.50 at the Former Glassboro Landfill project site, Because the aggregate supplemental funding including this request is $132,718.50, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding including this approval is $383,699.50.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $63,337.50

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$63,337.50
EDA Administrative Cost	$500.00
TOTAL COSTS:	**$63,837.50**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation - Government Facility

APPLICANT: National Park Borough PROD-00218899

PROJECT USER(S): Same as applicant

PROJECT LOCATION: Robert Hawthorne Sanitary Landfill Gloucester Township Camden County

APPLICANT BACKGROUND:

Between August 2007 and February 2020, The Borough of National Park (Robert Hawthorne Sanitary Landfill) received an initial grant to perform Preliminary Assessment and Remedial Investigation in the amount of $266,537 under P17808 and supplemental grants in the amount of $104,946 under P32343, $63,931 under P40734, $286,257 under P44798, $264,516 under P45450, $900,000 under P45638 and $447,293 under Product 188154. The project site, identified as Block 111, Lots 1, 2 and 3 is a former landfill which has potential environmental areas of concern (AOCs). The Borough of National Park owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities to redevelop the project site for a solar field.

NJDEP has approved this aggregate supplemental request for Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The matching 25% ($88,171) of funds is being provided by the designated developer for the project.

OTHER NJEDA SERVICES:

$266,537, P17808; $104,946, P32343; $63,931, P40734; $286,257, P44798; $264,516, P45450; $900,000 P45638, $447,293, Product 188154

APPROVAL REQUEST:

The Borough of National Park is requesting aggregate supplemental grant funding to perform additional RA activities required by NJDEP in the amount of $831,083 at the project site. Total funding including this approval is $3,164,563.

FINANCING SUMMARY:

GRANTOR:	Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT:	$831,083.00
TERMS OF GRANT:	No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$831,083.00
EDA Administrative Cost	$500.00
TOTAL COSTS:	**$831,583.00**

REAL ESTATE

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

RE: New Jersey Bioscience Center, 661 U.S. Highway 1 South (Building 2)
Ascendia Pharmaceuticals, LLC
Fifth Amendment to the Lease Agreement

Summary
I request that the Members approve the Fifth Amendment to the Lease Agreement with Ascendia Pharmaceuticals, LLC (Ascendia) which will permit Ascendia to (i) lease an additional 4,069 rentable square feet (RSF) for a six-month period with two six month renewal options and (ii) extend the expiration date for its use of the tenant work allowance (TWA) of $367,393.74 from December 31, 2020 to June 30, 2021. The Members must approve this amendment because the proposed additional leased premises square feet (4,069) exceeds 25% of the existing leased premises square feet (15,290).

Background

1. *Initial Lease and Amendments*

The Members and staff, through delegated authority, have authorized the initial lease dated May 24, 2017 and subsequent four (4) amendments reallocating rentable square footage and expending the TWA, as summarized in the following chart:

Lease	Lease Date	Phase 1 RSF (Months 1-24 of the Term - 7/31/19)	Phase 2 Additional RSF (Month 25 through the end of the Term)	Total RSF	Tenant Work Allowance Phase 1 (expend by month 24 of the Term - 7/31/2019)	Tenant Work Allowance Phase 2 (expend by month 35 of the Term - 7/31/2020)	Total Tenant Work Allowance	Approval Type	Approval Date
Initial Lease	5/24/2017	10,541	4,749	**15,290**	$197,085.00	$170,308.74	**$367,393.74**	Board	3/24/2017
1st Amend.	7/25/2017	12,889	2,401	**15,290**	$309,712.92	$57,680.82	**$367,393.74**	Delegated	7/25/2017
2nd Amend.	1/1/2018	13,437	1,853	**15,290**	$309,712.92	$57,680.82	**$367,393.74**	Board	11/14/2017
3rd Amend.	10/1/2018	15,290	0	**15,290**	$309,712.92	$57,680.82	**$367,393.74**	Delegated	10/1/2018
4th Amend.	10/11/2019	15,290	0	**15,290**	N/A	N?A	**$367,393.74**	Delegated	10/11/2019

In addition, the Second Amendment to the Lease permitted Ascendia to have a temporary outside storage unit on site until December 31, 2018. Ascendia removed the storage unit on a timely basis.

The initial lease provides that the Authority retains any unexpended TWA not used by the required dates. The Fourth Amendment to the Lease extended the period to expend the TWA until December 31, 2020.

2. *Expansion Space for Short Term Use*

Ascendia and the Authority executed a Letter of Intent on October 29, 2020 to add approximately 4,069 RSF (Temporary Expansion Premises) to the leased premises to be leased in as-is condition for a six-month period with two six month renewal options (Temporary Expansion Premises Term). The Temporary Expansion Premises include 2 laboratory spaces and corridors (Temporary Labs) as well as a separate loading/warehouse area (Temporary Loading Area). Consistent with the initial Lease, the Temporary Expansion Premises are part of larger open areas without demising walls for separation and Ascendia agrees to only use the Temporary Expansion Premises.

The Temporary Labs consist of approximately 1,301 sf and will be leased at the same net lease rate and terms as Ascendia's current space ($28.41 sf base rent with an annual increase on August 1, 2021). The Temporary Loading Area consists of approximately 2,768 sf and will be leased at the base rent of $8.50 sf with a 3% annual escalation commencing on August 1, 2021. All other terms and conditions of the Lease including but not limited to applicable common area maintenance expenses, PILOT payments and proportionate share of utilities shall also apply to the Temporary Expansion Premises.

The Temporary Expansion Premises will be leased on a six-month term with two (2) six (6) month options to renew. The renewal option notice will be two (2) months prior written notice for each renewal. The Authority shall have the right to terminate this lease amendment at any time with sixty (60) days prior written notice.

3. *Extending the Expenditure Date of the Tenant Work Allowance*

Upon initially occupying the leased premises Ascendia planned to purchase and install a clean room, for approximately $475,000. The Fourth Amendment to the Lease extended the TWA date to December 31, 2020. To date, Ascendia has not used any of the TWA and plans to expend all or substantially all of the TWA for the clean room installation.

Ascendia has represented that after initial delays, it is now working with a new design firm. COVID-19 has had impacts on business operations, requiring more staff time and attention to workspace and lab safety considerations. Ascendia is now gearing up to have the new design finalized and will commence the planning and permitting process to install the clean room with the goal that the clean room will be installed by the end of the second calendar quarter of 2021. Ascendia requests that the Authority further amend the lease to extend the TWA to June 30, 2021 which is the anticipated expiration date of the initial term for the Temporary Expansion Premises.

4. *Financial Analysis and Recommendation*

Attached as Exhibit A to this memo is a summary comparison of the present value of the Lease's net income (net rent minus amortization of the TWA and amortized brokerage commission) under the initial lease and the proposed Fifth Amendment. The proposed Fifth Amendment's net cash flow includes the revisions to the lease's net income under the First through Fourth Amendments. This analysis excludes Net Rent for the 2 six-month option periods for the Temporary Expansion Premises.

In the summary, the net cash flows of the initial lease and the proposed Fifth Amendment are discounted to present value as of January 1, 2021. Using a 5% discount rate, the net income of the lease years is adjusted forward or backwards, as appropriate, to January 1, 2021, the proposed commencement of the term for the Temporary Expansion Premises.

The net present value summary shows that, as of January 1, 2021, the proposed Fifth Amendment's net income, when including the entire lease term, has a greater present value than the initial lease by approximately $151,103. However, when only considering the cash flow of the remaining lease term from January 1, 2021, to the end of the lease term, the initial lease has a greater net present value than the proposed Fifth Amendment by approximately $58,090. Staff believes that a financial recommendation should be based on the lease term's entire net cash flow because the entire net cash flow provides a more accurate financial picture of the Authority's investment and return in Ascendia's leasehold.

Based on the present value comparative analysis of the net cash of the entire lease term of the initial lease and proposed Fifth Amendment, and Ascendia's planned clean room investment of approximately $475,000, staff recommends that the Members approve leasing of the Temporary Expansion Premises and extending the use of the TWA by Ascendia until June 30, 2021. If any TWA remains unexpended by June 30, 2021, the balance of the funds will be retained by the Authority and will not be available to Ascendia.

Attached as Exhibit B to this memo is the proposed Fifth Amendment to the Lease Agreement which is in substantially final form. The final terms of the Fifth Amendment may be subject to revisions, although the basic terms and conditions will remain consistent with those in the attachment. The final terms of the Fifth Amendment will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.

Recommendation

In summary, I request the Members approve the Fifth Amendment to the Lease Agreement with Ascendia Pharmaceuticals, LLC which will permit Ascendia to (i) lease an additional 4,069 rentable square feet for a six-month period with two six month renewal options and (ii) extend the expiration date for its use of the tenant work allowance of $367,393.74 from December 31, 2020 to June 30, 2021, as outlined in this memo, on final terms subject to approval by the Chief Executive Officer and the Attorney General's Office.

Tim Sullivan
Chief Executive Officer

att: Exhibits A and B
Prepared by: Juan Burgos and Liza Nolan

EXHIBIT A: NET RENT

EXHIBIT A: ASCENDIA FIFTH AMENDMENT SUMMARY PRESENT VALUE ANALYSIS

Original Lease Present Value Analysis as of January 1, 2021

	Year	EDA Amortized TWA @ 5%	Annual Rent	Amortized Commission	Net Income	PV of Net Income as of 1/1/2021	PV of Remaining Net Income as of 1/1/2021
Year 1	8/1/2017	($28,287)	$167,557	($30,129)	$109,141	$128,957	$0
Year 2	8/1/2018	($28,287)	$316,403	($30,129)	$257,987	$290,323	$0
Year 3	8/1/2019	($58,701)	$421,698	($30,129)	$332,868	$356,764	$0
Year 4	8/1/2020	($58,701)	$434,389	($30,129)	$345,559	$352,694	$184,733
Year 5	8/1/2021	($58,701)	$447,385	($30,129)	$358,555	$348,544	$348,544
Year 6	8/1/2022	($58,701)	$460,841	($30,129)	$372,010	$344,415	$344,415
Year 7	8/1/2023	($58,701)	$474,602	($30,129)	$385,771	$340,159	$340,159
Year 8	8/1/2024	($58,701)	$488,821	($30,129)	$399,991	$335,868	$335,868
Year 9	8/1/2025	($34,242)	$293,708	($17,575)	$241,891	$193,447	$193,447
	Totals	**($443,021)**	**$3,505,405**	**($258,610)**	**$2,803,773**	**$2,691,171**	**$1,747,165**

Proposed 5th Amendment Present Value as of January 1, 2021

	Year	EDA Amortized TWA @ 5%	Annual Rent	Amortized Commission	Net Income	PV of Net Income as of 1/1/2021	PV of Remaining Net Income as of 1/1/2021
Year 1	8/1/2017	$0	$185,961	($30,685)	$155,275	$183,468	$0
Year 2	8/1/2018	$0	$371,523	($31,082)	$340,440	$383,111	$0
Year 3	8/1/2019	$0	$421,698	($31,082)	$390,616	$418,657	$0
Year 4	8/1/2020	($47,832)	$464,634	($31,082)	$385,720	$393,684	$225,723
Year 5	8/1/2021	($81,997)	$447,385	($31,082)	$334,306	$324,971	$324,971
Year 6	8/1/2022	($81,997)	$460,841	($31,082)	$347,761	$321,964	$321,964
Year 7	8/1/2023	($81,997)	$474,602	($31,082)	$361,522	$318,776	$318,776
Year 8	8/1/2024	($81,997)	$488,821	($31,082)	$375,742	$315,506	$315,506
Year 9	8/1/2025	($47,832)	$293,708	($18,131)	$227,745	$182,135	$182,135
	Totals	**($423,653)**	**$3,609,172**	**($266,393)**	**$2,919,126**	**$2,842,273**	**$1,689,075**
	5th Amend. minus Original	**$19,368**	**$103,768**	**($7,783)**	**$115,353**	**$151,103**	**($58,090)**

Notes:

Analysis uses 5% discount rate

Lease years 1 through 3 were adjusted to a future value as of 1/1/2021 @ 5%

Lease Years 5 through the end of term were adjusted to a present value as of 1/1/2021 @ 5%

FIFTH AMENDMENT TO THE LEASE AT TECHNOLOGY CENTRE OF NEW JERSEY[1]

This FIFTH AMENDMENT TO THE LEASE (the "FIFTH AMENDMENT") is made as of the ___ day of _______________ 2020, by and between Ascendia Pharmaceuticals, LLC, a New Jersey limited liability corporation ("TENANT") and the New Jersey Economic Development Authority ("LANDLORD").

WHEREAS, LANDLORD and TENANT entered into a Technology Centre of New Jersey ("TECH CENTRE") Lease Agreement dated May 24, 2017, (the "ORIGINAL LEASE") in the premises described therein (the "LEASED PREMISES") and located in Tech Two ("BUILDING"), at the TECH CENTRE, 661 Route 1 South, North Brunswick, New Jersey;

WHEREAS, the LEASED PREMISES was to consist of 10,541 rentable square feet ("RSF") for the period between August 1, 2017 ("COMMENCEMENT DATE") and July 31, 2019 ("PHASE I PREMISES");

WHEREAS, LANDLORD and TENANT entered into the First Amendment to the Lease at the Technology Centre of New Jersey dated July 25, 2017 (the "FIRST AMENDMENT"), which increased the PHASE I PREMISES from 10,541 RSF feet to 12,889 RSF;

WHEREAS, the LANDLORD and TENANT entered into the Second Amendment to the Lease at the Technology Centre of New Jersey dated January 1, 2018 (the "SECOND AMENDMENT"), which increased the PHASE I PREMISES from 12,889 RSF to 13,437 RSF and permitted TENANT to place one (1) 8 feet x 20 feet x 8.5 feet temporary storage unit in the Tech Two loading area until 5 pm on December 31, 2018;

WHEREAS, the LANDLORD and TENANT entered into the Third Amendment to the Lease at the Technology Centre of New Jersey dated October 1, 2019 (the "THIRD AMENDMENT"), which increased the PHASE I PREMISES from 13,437 RSF to 15,290 RSF and removed references thereafter to the PHASE I PREMISES;

WHEREAS, the LANDLORD and TENANT entered into the Fourth Amendment to the Lease at the Technology Centre of New Jersey dated October 11, 2019 (the "FOURTH AMENDMENT"), which reinstated the expired PHASE I PREMISES TENANT WORK ALLOWANCE until December 31, 2020 and extended the expiration date for the use of the PHASE II PREMISES TENANT WORK ALLOWANCE from July 31, 2020 until December 31, 2020.

WHEREAS, the ORIGINAL LEASE, FIRST AMENDMENT, SECOND AMENDMENT, THIRD AMENDMENT, and the FOURTH AMENDMENT are collectively referred to as the LEASE;

WHEREAS, the TENANT desires to add a total of approximately 4,069 RSF ("TEMPORARY EXPANSION PREMISES") to the LEASED PREMISES to be leased in its AS-IS condition for a six (6)-month period with two (2) six (6) month renewal options ("TEMPORARY EXPANSION PREMISES TERM") and TENANT acknowledges that the TEMPORARY EXPANSION PREMISES are part of larger open areas without demising walls

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1 The Technology Centre of New Jersey has been renamed the New Jersey Bioscience Center.

for separation and TENANT agrees to only utilize the TEMPORARY EXPANSION PREMISES;

WHEREAS, TENANT desires to extend the expiration date for the use of the TENANT WORK ALLOWANCE from December 31, 2020 until June 30, 2021 as hereinafter set forth; and

WHEREAS, LANDLORD and TENANT now desire to amend the LEASE to increase the LEASED PREMISES to 19,359 RSF (the "TOTAL LEASED PREMISES") during the TEMPORARY EXPANSION PREMISES TERM at the NET RENT set forth in **EXHIBT B** hereof, to extend the expiration date for the use of the TENANT WORK ALLOWANCES to June 30, 2021, and modify related items as hereinafter set forth:

NOW, THEREFORE in consideration of the covenants and conditions set forth herein and other good and valuable consideration paid, the sufficiency of which is hereby acknowledged by each of the parties, TENANT and LANDLORD do covenant and agree as follows:

1. All the recital clauses hereinabove set forth are incorporated by reference as though set forth verbatim and at length herein.

2. Section 2 of the THIRD AMENDMENT is hereby amended by adding:

    a. Delete Section 2a within the definition of LEASED PREMISES, and insert the following in its place:

        "a (1) As of the date hereof, TENANT shall lease fifteen thousand two hundred ninety (15,290) RSF through December 31, 2020.

        (2) During the TEMPORARY EXPANSION PREMISES TERM, TENANT shall lease nineteen thousand three hundred fifty-nine (19,359) RSF which includes an additional 4,069 RSF as shown on **EXHIBIT A** (the "TEMPORARY EXPANSION PREMISES") which consists of 1,301 RSF additional lab space and 2,768 RSF as shipping/warehouse space. All square foot numbers and locations are approximate

        (3) Upon the expiration of the TEMPORARY EXPANSION PREMISES TERM through the end of the INITIAL TERM of the LEASE, TENANT's TOTAL LEASED PREMISES shall revert to fifteen thousand two hundred ninety (15,290) RSF."

    b. Delete Section 2b within the definition of TENANT'S TECH CENTRE SHARE and insert the following in its place:

        "b (1) Through December 31, 2020, five percent (5.00%), i.e., 15,290 TOTAL LEASED PREMISES RSF divided by 305,884 TECH CENTRE total RSF, rounded to the nearest hundredth percent.

(2) During the TEMPORARY EXPANSION PREMISES TERM, six and thirty-three hundredths percent (6.33%), i.e. 19,359 TOTAL LEASED PREMISES RSF divided by 305,884 TECH CENTRE total RSF, rounded to the nearest hundredth percent.

(3) Upon the expiration of the TEMPORARY EXPANSION PREMISES TERM through the end of the INITIAL TERM of the LEASE, this calculation shall revert to five percent (5.00%), i.e., 15,290 LEASED PREMISES RSF divided by 305,884 TECH CENTRE total RSF, rounded to the nearest hundredth percent."

c. Delete Section 2c within the definition of TENANT'S BUILDING SHARE as follows:

"c (1) Through December 31, 2020, twenty-five and forty-three hundredths percent (25.43%) (15,290 TOTAL LEASED PREMISES RSF divided by 60,116 BUILDING RSF), rounded to the nearest hundredth percent, of the OPERATING EXPENSES (as hereinafter defined in Section 6.3 and Section 6.4).

(2) During the TEMPORARY EXPANSION PREMISES TERM, thirty-two and twenty hundredths percent (32.20%), (19,359 LEASED PREMISES RSF divided by 60,116 BUILDING RSF), rounded to the nearest hundredth percent, of the OPERATING EXPENSES (as hereinafter defined in Section 6.3 and Section 6.4).

(3) Upon expiration of the TEMPORARY EXPANSION PREMISES TERM through the end of the INITIAL TERM of the LEASE, this calculation shall revert to twenty-five and forty-three hundredths percent (25.43%) (15,290 LEASED PREMISES RSF divided by 60,116 BUILDING RSF), rounded to the nearest hundredth percent, of the OPERATING EXPENSES (as hereinafter defined in Section 6.3 and Section 6.4)."

d. Delete Section 2d within the definition of TENANT'S UTILITY SHARE as follows:

"d (1) Through December 31, 2020, seventy-six and forty-five hundredths percent (76.45%) (15,290 TOTAL LEASED PREMISES RSF divided by the existing improved 20,000 RSF within the BUILDING, rounded to the nearest hundredths percent) of the average utility usage in calendar year 2016 (i.e., gas and electric usage and related fees, charges and taxes in calendar year 2016 divided by 12 rounded to the nearest dollar), plus 100% of the amount above the average utility usage so long as there is no tenant occupying the balance of the currently vacant BUILDING RSF consisting of 12,485 RSF. LANDLORD shall be responsible for the balance of the average monthly gas and electric usage, related fees, charges and taxes, based on calendar year 2016, in the remaining twenty-three and fifty-five hundredths percent (23.55%) in the BUILDING.

(2) During the TEMPORARY EXPANSION PREMISES TERM, ninety-six and eighty hundredths percent (96.80%) (19,359 LEASED PREMISES divided by the existing improved 20,000 RSF within the BUILDING, rounded to the nearest hundredth percent) of the average monthly gas and electric usage, related fees, charges and taxes, in calendar year 2016 (i.e., total gas and electric usage and related charges in calendar year 2016 divided by 12 rounded to the nearest dollar), plus 100% of the amount above the average utility usage so long as there is no tenant occupying the balance of the BUILDING RSF consisting of (12,485) RSF. LANDLORD shall be responsible for the balance of the average monthly gas and electric usage, related fees, charges and taxes, in calendar year 2016, in the remaining) three and twenty hundredths percent (3.20%) in the BUILDING.

(3) Upon the expiration of the TEMPORARY EXPANSION PREMISES TERM through the end of the INITIAL TERM of the LEASE, the calculation shall revert to seventy-six and forty-five hundredths percent (76.45%) (15,290 LEASED PREMISES divided by the existing improved 20,000 RSF within the BUILDING, rounded to the nearest hundredth percent) of the average monthly gas and electric usage, related fees, charges and taxes, in calendar year 2016 (i.e., total gas and electric usage and

related charges in calendar year 2016 divided by 12 rounded to the nearest dollar), plus 100% of the amount above the average utility usage so long as there is no tenant occupying the balance of the BUILDING RSF consisting of (12,485) RSF. LANDLORD shall be responsible for the balance of the average monthly gas and electric usage, related fees, charges and taxes, in calendar year 2016, in the remaining twenty-three and fifty-five hundredths percent (23.55%) in the BUILDING."

3. Section 4 of the ORIGINAL LEASE is hereby amended by adding the following sections:

"4.4 The TEMPORARY EXPANSION PREMISES shall be leased for the period beginning on January 1, 2021 and ending at midnight on June 30, 2021 (the "TEMPORARY EXPANSION PREMISES INITIAL TERM"). Provided that there is then no Event of Default by TENANT under the terms of this LEASE, TENANT shall have the option to extend the TEMPORARY EXPANSION PREMISES INITIAL TERM for two (2) additional six (6) month periods by giving at least sixty (60) days prior written notice to LANDLORD of TENANT's intent to so extend for the renewal period exercised by the TENANT (the "TEMPORARY EXPANSION PREMISES EXTENDED TERM"). The TEMPORARY EXPANSION PREMISES INITIAL TERM and any applicable TEMPORARY EXPANSION PREMISES EXTENDED TERM are collectively referred to as the "TEMPORARY EXPANSION PREMISES TERM". If the TEMPORARY EXPANSION PREMISES TERM is extended for the TEMPORARY EXPANSION PREMISES EXTENDED TERM, "TEMPORARY EXPANSION PREMISES TERMINATION DATE" shall mean the last day of the last TEMPORARY EXPANSION PREMISES EXTENDED TERM.

4.5 LANDLORD shall have the right, in its sole discretion, to terminate this FIFTH AMENDMENT at any time upon providing TENANT with sixty (60) days prior written notice including without limitation at the time TENANT submits its notice to renew, if any."

4. Section 4 of the THIRD AMENDMENT is hereby amended as follows:

Delete the first sentence of Section 7.1(c) and replace with the following:

> "During the TERM hereof, TENANT shall pay a Payment in Lieu of Taxes ("PILOT") to LANDLORD (who shall thereafter forward said payment to the TOWNSHIP) for the LEASED PREMISES, based on the 10, 541 RSF for the first five (5) months of the INITIAL TERM, 12,889 RSF for months six (6) through fourteen (14) of the INITIAL TERM, 15,290 RSF for months fifteen (15) through forty-one (41), 19,359 RSF for the TEMPORARY EXPANSION PREMISES TERM, and 15,290 RSF from the expiration of the TEMPORARY EXPANSION PREMISES TERM through the balance of the INITIAL TERM in accordance with the terms of the PILOT AGREEMENT referenced in <u>Section 7.1(a)</u> hereof."

5. Section 5 of the THIRD AMENDMENT is hereby amended as follows:

Delete the paragraph of Section 7.1(d) and insert the following in the definition of TAX SHARE:

> "(d) (1)Through December 31, 2020 that percentage is derived by dividing 15,290 TOTAL LEASED PREMISES RSF by the TECH CENTRE total RSF (305,884 RSF) at the beginning of the applicable TAX YEAR and LANDLORD represents that the Tax Share is equal to 5.00%.
>
> (2) During the TEMPORARY EXPANSION PREMISES TERM that percentage is derived by dividing 19,359 LEASED PREMISES RSF by the TECH CENTRE total RSF (305,884 RSF) at the beginning of the applicable TAX YEAR and LANDLORD represents that the Tax Share is equal to 6.33%.
>
> (3) Upon the expiration of the TEMPORARY EXPANSION PREMISES TERM through the end of the INITIAL TERM of the LEASE the calculation shall revert to the percentage derived by dividing 15,290 LEASED PREMISES RSF by the TECH CENTRE total RSF (305,884 RSF) at the beginning of the applicable TAX YEAR

and LANDLORD represents that the Tax Share is equal to 5.0%."

6. Paragraph 20.5 of the ORIGINAL LEASE is hereby amended as follows:

Delete the 7th and 8th sentences and replace with the following:

"If TENANT fails to provide the required evidence of insurance within thirty (30) days after notice of demand, TENANT may be responsible for any increases in LANDLORD's insurance premiums due to this default. LANDLORD shall in connection therewith, including without limitation, also charge LANDLORD's reasonable attorneys' fees, on demand as ADDITIONAL RENT."

7. Paragraph 26 of the ORIGINAL LEASE is hereby amended as follows:

Insert the below paragraph following paragraph 26.2:

"26.3 LANDLORD has engaged Jones Lang LaSalle Americas, Inc. ("LANDLORD'S BROKER") as LANDLORD's broker in connection with this LEASE and by a leasing services agreement between LANDLORD and LANDLORD'S BROKER, LANDLORD has agreed to compensate LANDLORD's BROKER as set forth in the leasing services agreement. For the TEMPORARY EXPANSION PREMISES LEASE TERM, TENANT represents that TENANT has not dealt with any brokers other than Chilmark Real Estate Services, LLC (the "TENANT'S BROKER") and that TENANT'S BROKER is entitled to be paid a commission based on five per cent (5%) of the aggregate NET RENT during the TEMPORARY EXPANSION PREMISES LEASE TERM by LANDLORD'S BROKER pursuant to a separate agreement between LANDLORD'S BROKER and TENANT'S BROKER for such commission owing and paid by LANDLORD's BROKER to TENANT's BROKER pursuant to the leasing services agreement between LANDLORD AND LANDLORD's BROKER. Except to the extent TENANT'S representation set forth hereinabove shall have been breached, LANDLORD shall be responsible for any commissions alleged to be owing to any brokers or finders other than TENANT's

BROKER in connection with this LEASE."

8. The LEASE is amended by inserting the below new paragraph following paragraph 41:

> **"42. ELECTRONIC SIGNATURES**
> Pursuant to written policy, LANDLORD allows documents to be signed electronically and hereby agrees to be bound by such electronic signatures. TENANT, also agrees to be bound by electronic signatures as a signatory to this LEASE."

9. The **THIRD AMENDMENT TO EXHIBIT A** is deleted and replaced with **EXHIBIT A TO THE FIFTH AMENDMENT**.

10. The **THIRD AMENDMENT TO EXHIBIT B** is deleted and replaced with the **FIFTH AMENDMENT TO EXHIBIT B**.

11. In Section 2 of the Fourth Amendment, **EXHIBIT D TO THE FOURTH AMENDMENT: TENANT WORK ALLOWANCE** is deleted and replaced with **EXHIBIT D TO THE FIFTH AMENDMENT: TENANT WORK ALLOWANCE.**

12. This FIFTH AMENDMENT may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

13. This FIFTH AMENDMENT shall be governed by the laws of the State of New Jersey.

14. Except as expressly modified hereby, all terms, conditions, definitions, undertakings and covenants of the LEASE shall remain in full force and effect and are in no way abrogated by this FIFTH AMENDMENT. Capitalized terms used in the within FIFTH AMENDMENT but not otherwise defined herein shall have the meanings ascribed to them in the LEASE.

15. The parties hereby confirm the validity and continued force and effect of the LEASE.

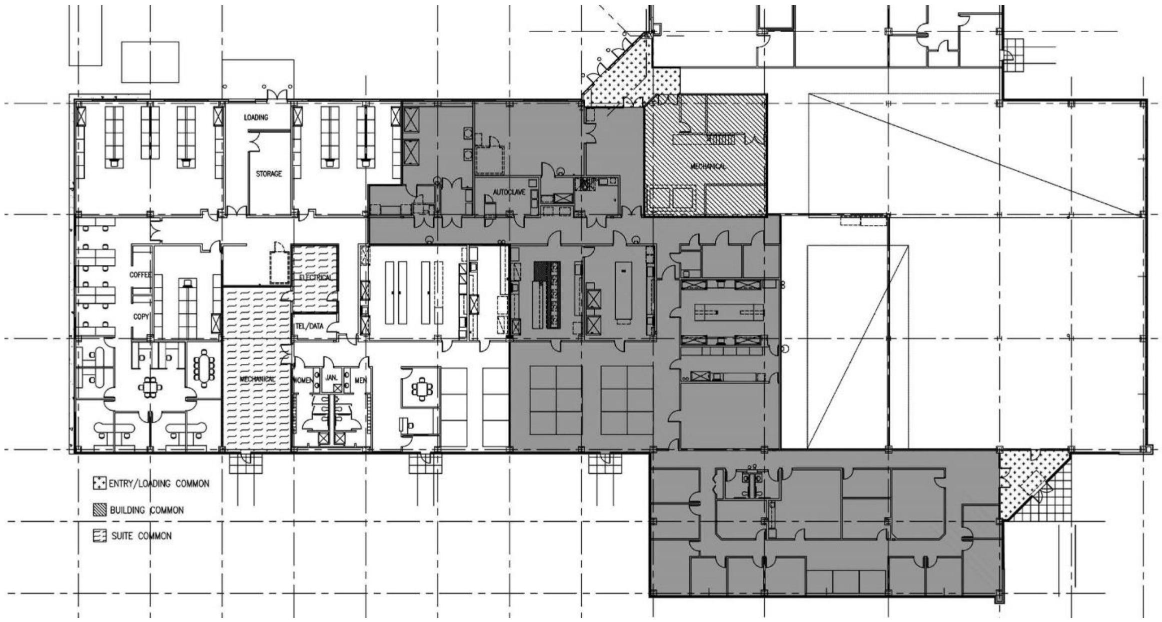
[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this FIFTH AMENDMENT to LEASE as of the date first written above.

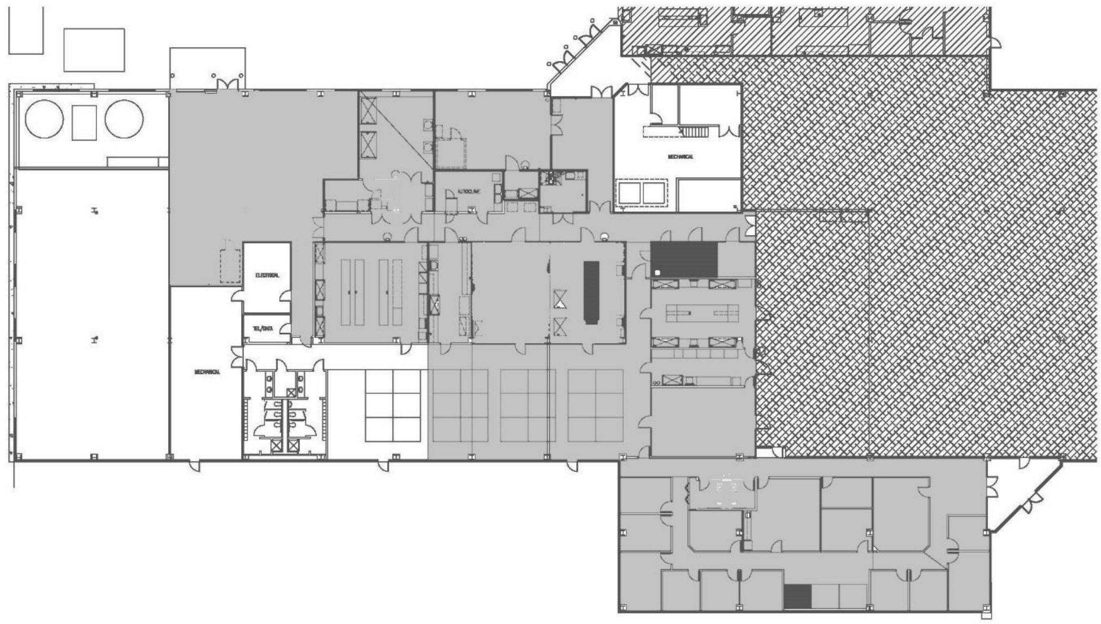
ATTEST	NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, LANDLORD
NAME: TITLE:	Lori Matheus, Senior Vice President, Finance and Development
ATTEST	**ASCENDIA PHARMACEUTICALS, LLC, TENANT**
NAME: TITLE:	Jim J. Huang, Chief Executive Officer

THIRD AMENDMENT TO EXHIBIT A: LEASED PREMISES

1. TENANT during the months 15 through the end of the INITIAL TERM of the LEASE (October 1, 2018 through February 26, 2026), excluding the TEMPORARY EXPANSION PREMISES TERM, shall occupy TOTAL LEASED PREMISES consisting of 15,290 RSF and highlighted in **grey** in the diagram below (not to scale):



2.TENANT during the EXPANSION PREMISES TERM shall occupy TOTAL LEASED PREMISES consisting of 19,359 RSF and highlighted in **grey** in the diagram below (not to scale):



2. The TOTAL LEASED PREMISES include the use of the bathroom facilities and the corridor to access this bathroom in the adjacent VACANT SPACE in the western portion of the BUILDING until a demising wall is erected and/or LANDLORD expands the existing east bathroom or constructs another bathroom in an area that is reasonably satisfactory to the Parties at LANDLORD's sole expense.

FIFTH AMENDMENT TO EXHIBIT B: NET RENT

1. During the INITIAL TERM of the LEASE, the NET RENT per square foot is outlined in the following chart:

Net Rent Per Square Foot (Laboratory and Office)

Date	Beginning of Lease Month	End of Lease Month	Net Rent per Square Foot (NR $SF)
8/1/2017	1	12	$26.00
8/1/2018	13	24	$13.53
8/1/2019	25	36	$27.58
8/1/2020	37	48	$28.41
8/1/2021	49	60	$29.26
8/1/2022	61	72	$30.14
8/1/2023	73	84	$31.04
8/1/2024	85	96	$31.97
8/1/2025	97	103	$32.93

Net Rent Per Square Foot (Loading Dock)

	Date	Beginning of Lease Month	End of Lease Month	Net Rent per Square Foot (NR $SF)
	1/1/2021	42	48	$8.50
*	8/1/2021	49	59	$8.76

* Only if TENANT exercises OPTION on TEMPORARY EXTENDED LEASED PREMISES

2. During the INITIAL TERM of the LEASE, TENANT shall pay NET RENT for the PREMISES and TEMPORARY EXTENDED PREMISES as follows:

Net Rent Payment Schedule (Labatory and Office Space)

Date	Beginning of Lease Month	End of Lease Month	NR $SF	ABATED NR $SF	RENTABLE SQUARE FEET	ACTUAL MONTHLY NET RENT	ACTUAL ANNUAL NET RENT	MONTHS @ NET RET
1/1/2021	42	47	$28.41	$28.41	16,591	$39,279.19	$235,675.14	6
7/1/2021	48	48	$28.41	$28.41	15,290	$36,199.08	$36,199.08	1
8/1/2021	49	60	$29.26	$29.26	15,290	$37,282.12	$447,385.44	12
8/1/2022	61	72	$30.14	$30.14	15,290	$38,403.38	$460,840.56	12
8/1/2023	73	84	$31.04	$31.04	15,290	$39,550.13	$474,601.56	12
8/1/2024	85	96	$31.97	$31.97	15,290	$40,735.11	$488,821.32	12
8/1/2025	97	103	$32.93	$32.93	15,290	$41,958.31	$293,708.17	7
SUBTOTAL ANNUAL NET RENT LABORATORY AND OFFICE SPACE FOR THE INITIAL TERM							**$2,437,231.27**	**111**

Net Rent Payment Schedule (Loading Dock Only for Initial 6 month Term)

Date	Beginning of Lease Month	End of Lease Month	NR $SF	ABATED NR $SF	RENTABLE SQUARE FEET	ACTUAL MONTHLY NET RENT	ACTUAL ANNUAL NET RENT	MONTHS @ NET RET
1/1/2021	42	47	$8.50	$8.50	2,768	$1,960.67	$11,764.02	6
SUBTOTAL LOADING DOCK ANNUAL NET RENT FOR THE INITIAL TERM							**$11,764.02**	$6.00
TOTAL NET RENT FOR THE INITIAL TERM							**$2,448,995.29**	

3. If TENANT exercises the OPTION(s) on the TEMPORARY EXTENDED PREMISES, the TENANT will pay the following, in addition to the NET RENT in Paragraph 3. above, for the TEMPORARY EXTENDED PREMISES as follows:

	Date	Beginning of Lease Month	End of Lease Month	NR $SF	ABATED NR $SF	RENTABLE SQUARE FEET	ACTUAL MONTHLY NET RENT	ACTUAL ANNUAL NET RENT	MONTHS @ NET RET
Lab & Off	7/1/2021	48	48	$28.41	$28.41	2,768	$6,553.24	$6,553.24	1
.oading Dock	7/1/2021	48	48	$8.50	$8.50	1,301	$921.54	$921.54	1
Lab & Off	8/1/2021	49	59	$29.26	$29.26	1,301	$3,172.27	$34,894.97	11
Loading	8/1/2022	49	59	$8.76	$8.76	2,768	$2,020.64	$22,227.04	11

EXHIBIT D TO THE FIFTH AMENDMENT: TENANT WORK ALLOWANCE

1. LANDLORD will provide TENANT with a TENANT WORK ALLOWANCE as follows: Through June 30, 2021 of the INITIAL TERM of the LEASE, LANDLORD will provide TENANT $367,393.74 for TENANT WORK specifically for a Clean Room only in the PREMISES.

2. Prior to commencing TENANT WORK, TENANT will provide a draw schedule for the TENANT WORK for the PREMISES.

3. Based on the TENANT provided draw schedule, LANDLORD will disburse the TENANT WORK ALLOWANCE in accordance with the provisions of Section 15.8 of the ORIGINAL LEASE until either the TENANT WORK ALLOWANCE is paid in full or until the TENANT WORK is complete, whichever comes first.

4. LANDLORD will retain any undisbursed TENANT WORK ALLOWANCE.

5. No TENANT WORK ALLOWANCE shall be provided by LANDLORD to TENANT during the TEMPORARY EXPANSION PREMISES EXTENDED TERMS, if any.

BOARD MEMORANDA -FYI ONLY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Credit Underwriting Projects Approved Under Delegated Authority – **For Informational Purposes Only**

The following projects were approved under Delegated Authority in October 2020:

Premier Lender Program:

1) Edwards Realty LLC (PROD-00224186), located in Parsippany-Troy Hills Township, Morris County, is a real estate holding company formed to purchase the project property. The operating companies, Globe Logistics Inc. ("GL") and Globe Logistics Services, Inc. ("GLS") are full-service transportation and logistics companies. They operate out of 3.5 acres of leased space. ConnectOne Bank approved a $4,080,000 bank loan, contingent upon a 26.47% ($1,080,000) Authority participation. Proceeds will be used to purchase the project property and garage, to be used for Company relocation and house the truck fleet. Currently, the Company has 62 employees and plans to create fifteen new positions within the next two years. USEDA funds will be utilized for this project.

Micro Business Loan Program:

1) Power Penn Enterprises LLC DBA Brielle Sports Club (PROD-00224248 & PROD-228595), is located in Brielle Borough, Monmouth County. Formed in 2003, Brielle Sports Club is a sports and fitness club that specializes in providing affordable, quality programming and fitness services to members and non-members. The NJEDA approved a $22,500 working capital loan and a $2,500 forgivable working capital loan. Proceeds will be used for inventory, payroll and rent costs. The Company currently has five employees.

2) RDC Hero Sub LLC DBA The Sandwich Club (PROD-00224374 & PROD-00228621), is located in Newark City, Essex County. Formed in 2017, RDC Hero Sub LLC DBA The Sandwich Club, is a sandwich restaurant specializing in affordable, healthy, and fresh sandwiches. They also offer small party catering, and pickup and delivery services. The NJEDA approved a $22,500 working capital loan and a $2,500 forgivable working capital loan. Proceeds will be used for inventory, payroll and rent costs. The Company currently has one employee and plans to create one new position over the next two years.

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Tim Sullivan, CEO

Prepared by: G. Robins

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Bond Modifications – 3rd Quarter 2020

(For Informational Purposes Only)

The following Post-Closing Bond action was approved under delegated authority in the 3rd quarter ending September 30, 2020:

Stand Alone and Refunding Bonds

Applicant	Modification Action	Bond Amount
College Avenue Redevelopment Assoc. LLC	Execute the escrow deposit agreement in connection with the Defeasance of the 2013 College Avenue Redevelopment Associates LLC (Rutgers University General Obligation Lease Revenue Bonds).	$237,055,000
Count Basie Theatre, Inc.	Consent to the deferral of principal and interest payments for 6 months due to COVID-19 related issues.	$8,500,000
The Freehold Young Men's Christian Association	Consent to the deferral of principal and interest payments for 90 days due to COVID 19 related issues.	$5,300,000
The Order of St. Benedict of New Jersey	Consent to the Interest Rate Reduction from 3.31% to 2.65%.	$29,000,000
Metropolitan YMCA of the Oranges	Consent to the deferral of principal and interest payments for 3 months due to COVID-19 related issues.	$5,500,000

Tim Sullivan, CEO

Prepared by: K. Hall

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Post Closing Credit Delegated Authority Approvals for 3rd Quarter 2020
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the third quarter of 2020:

COVID-19 Moratoria

The following fourteen (14) loans products were approved for an additional three-month principal and interest moratorium to provide cash flow relief from the disruption caused by COVID-19. It should be noted that Members approved an original three-month principal and interest moratorium for all direct and premier lender participation loans at the March 26, 2020 Special Board Meeting.

Name	EDA Credit Exposure
AC Beach Normandy Ventures LLC	$ 3,984,608 DIR
Yank Marine Services, LLC	$ 2,543,975 SBL
DMM Assoc. (Thundering Surf – Settler's Mill)	$ 2,024,937 SBL
Scott Real Estate, LLC (BT Wayne School LLC)	$ 1,033,286 SLP
Headquarters Pub, LLC * (Tun Tavern)	$ 985,467 SBL
Gran Prix Partners, LP (Ferrari Hospitality, LLC)	$ 728,426 DIR
Bayshore Holdings, LLC & Tre Belle Figlie, LLC	$ 541,695 SLP
Atlantis O.C. Holding Limited Liability Co.	$ 535,844 SLP
Margaritaville, Inc.	$ 349,778 SBL
LBI Recreation Center, Inc.*	$ 321,066 SBL
Barnacle Bills, Inc.	$ 218,087

	SBL
Jakeabob's Bay, Inc. (Jakeabob’s By the Bay)	$ 200,950 SBL
Mark Crego (M.C. Signs)	$ 152,124 SBL
Lyceum Enterprises, Inc.	$ 136,068 SBL

*These products were also approved for a corresponding 6-month maturity extension to avoid balloon payments at maturity.

Camden Economic Recovery Board Grants **(**EDA has no credit exposure)	
Cooper’s Ferry Partnership, Inc.	One-year extension of the required construction completion date of the infrastructure grant.

Tim Sullivan, CEO

Prepared by: Jennifer Bongiorno and Mansi Naik

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan**,** Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Incentives Modifications – 3rd Quarter 2020

(For Informational Purposes Only)

Since 2001, and most recently in June 2014, the Members have approved delegations to staff for post-closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the Incentive Modifications that were approved in the 3rd Quarter ending September 30, 2020.

Tim Sullivan, CEO

Prepared by: F. Saturne

ACTIONS APPROVED UNDER DELEGATED AUTHORITY

THIRD QUARTER ENDING September 30, 2020

Business Employment Incentive Grant Program

Applicant	Modification Action	Approved Award
ExlService Holdings, Inc.	Consent to add Exlservice.com, LLC and Outsource Partners International, Inc. to the tax credit conversion amendment originally executed on June 30, 2016.	$4,150,000

GROW NEW JERSEY ASSISTANCE PROGRAM

Applicant	Modification Action	Approved Award
Aptapharma, Inc.	Consent to approve a six-month extension of the certification deadline from August 8, 2020 to February 8, 2021.	$11,700,000
GeriCare Pharmaceutical Corp.	Consent to approve a six-month extension of the certification deadline from August 8, 2020 to February 8, 2021.	$11,700,000
Jet.Com, Inc.	Consent to approve a six-month extension of the certification deadline from July 13, 2020 to January 13, 2021.	$25,760,000
Maestro Technologies, Inc.	Consent to approve a second six-month extension of the certification deadline from September 24, 2020 to March 24, 2021.	$17,355,000
Mesorah Publication, LTD	Consent to add an affiliate to the agreement.	$8,250,000
Modern Meadow, Inc.	Consent to approve two six-month extensions of the certification deadline from July 13, 2020 to July 13, 2021.	$32,217,500
Richland Glass Co., Inc.	Consent to approve a six-month extension of the certification deadline from July 13, 2020 to January 13, 2021.	$2,283,470
Sanofi US Services, Inc.	Consent to approve a six-month extension of the certification deadline from August 8, 2020 to February 8, 2021.	$39,943,970
The Michaels Organization	Consent to remove an affiliate from the agreement.	$79,378,750

SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

Applicant	Extend to date	Location	#/% Employees	Benefit
Mexichem Specialty Resins Inc.’s	August 7, 2020	Pedricktown, NJ	84/58%	$516,472
Durand Manufacturing Glass Company, LLC	May 27, 2020	Millville, NJ	693/93%	$788,424.82

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

SUBJECT: New Jersey Small and Micro Business PPE Access Program – Designated Vendor Delegated Authority Approvals for August, September, and October 2020

For Informational Purposes Only – **New Jersey Small and Micro Business PPE Access Program**

On August 11th, 2020, the Members of the Board approved Phase 1 of the Small and Micro Business PPE Access Program. The focus of Phase 1 has been to identify and designate qualified vendors ("designated vendors" hereafter) to launch online platforms where NJ companies can buy PPE at fair prices from reliable vendors offering a curated array of quality products all at a discount to normal market prices. The Members of the Board granted delegated approval for Authority SVP's to approve or decline for the program designated vendors based off their adherence to program requirements as stated in their online program application.

New Jersey Small and Micro Business PPE Access Program – Designated Vendor Application Review

The deadline for Designated Vendor applications was on November 12th, 2020. As of November 4th, **14** designated vendor applications had been received. Of these 14 applications:

- **3** have been approved,
- **4** have been declined,
- **3** have been withdrawn at the request of the applicants,
- **4** were still under review.

The following three companies have been approved as NJ Small and Micro Business PPE Access Program designated vendors:

- **Boxed** Boxed is a national online wholesale retailer founded in Edison, NJ in 2013. It employs 130 people at its main fulfillment center in Union, NJ.

- **Office Depot** Office Depot is a global retailer and provider of business services, supplies, products, and technology solutions. They have 84 New Jersey employees located at a sales office in Clifton, NJ as well as retail locations in Union, NJ and Edison, NJ.

- **Staples** Staples is a global retailer and provider of business supplies and business services. They have 6,000 New Jersey employees and extensive retail, corporate, and fulfillment hubs in New Jersey.

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Tim Sullivan, CEO

Memo Prepared by: Eric Solomon

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 13, 2020

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for Q3 2020

For Informational Purposes Only **- Angel Investor Tax Credit Program**

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax. When the program was originally approved, the amount of the tax credit was 10%. In 2019, Governor Murphy approved an increase to the amount of the tax credit from a 10% to 20% with a 5% bonus for either investing in NJ certified women or minority owned businesses or if the business is located in an Opportunity Zone or New Markets Tax Credit census tract. This increase is effective for all investments made on or after January 1, 2020.

Angel Investor Tax Credit Program – Q3 2020 Review

In the third quarter of 2020, twenty Angel Tax Credit applications for $522,114.00 in tax credits were approved. This represented $5,183634.00 in private investments into 6 unique technology and life science companies. The Technology sector represented 5% of applications while Life Science companies were 95% of the overall applications. While there were no approvals of new companies in the third quarter, Bark Biome was the first company whose investors received the additional 5% bonus for investing in a woman owned business in the preceding quarter. Of note, staff was also focused on Covid-19 relief programs during the third quarter to help support New Jersey based small businesses for their respective grant and loan applications. The Angel Tax Credit program currently has a backlog of over 300 applications. The current deadline for applications to be considered for a 2020 tax credit is November 1st, 2020.

Angel Tax Credit Q3 2020 Results

Sector	Investment Amount	Applications	# of Companies in Each Sector	% of Total Investments	% of Total Applications
Technology	$105,420	1	1	2%	5%
Life Sciences	$5,078,214	19	5	98%	95%
Total	**$5,183,634**	**20**	**6**		

The following six companies were participants for the 3rd quarter of 2020:

- Angel Medical Systems, Inc.: Based in Eatontown, NJ. Angel Medical is a medical device company that has developed the first ever implantable, patient alerting systems for the early detection and prevention of heart attacks.

- AptaResearch, LLC: Based in Pennsauken, NJ. AptaResearch is a biotechnology-based pharmaceutical company focusing on developing immediate release and controlled-release oral solid and liquid formations and complex formulations that present competitive barriers to entry

- Bark Biome, LLC: Based in Princeton, NJ. Bark Biome is a vertically-integrated, individualized pet health-technology life sciences platform that also markets, manufactures and sells personalized canine supplements.

- Fusion Recruiting Labs: Based in Red Bank, NJ. Provides human resource departments and staffing agencies software tools to simplify and humanize the hiring process.

- Shinkei Therapeutics, LLC: Based in Princeton, NJ. Shinkei Therapeutics is developing pharmaceutical products for treating disorders related to the Central Nervous System (CNS).

- Sonnet BioTherapeutics, Inc.: Based in Princeton, NJ. Sonnet BioTherapeutics is a pre-clinical biotech company developing a pipeline of therapies relating to oncology (cancer).

Since program inception in 2013 through Q3 2020, the Authority has approved 1,321* applications for investments totaling more than $566 million invested in 97 New Jersey based technology businesses.

*The following application below was not listed in the Q1 Memo due to a technical error. The "applications" number has been corrected and is up-to-date, and the "investments" figure has been calculated accordingly.

Barry Garfinkel	Angel Medical Systems, Inc.	$50,000 Investment	$5,000 ATC

Please find a detailed list of all ATC applications that were approved under delegated authority during the third quarter of 2020 on Exhibit A.

For Informational Purposes Only **- NJ Ignite Program**

NJ Ignite offers grants that support the rent of early stage technology and life science companies, which are located in an approved program collaborative workspace. Grants vary in amount and the start-up must commit to continue to work from the collaborative space under established agreements. As of October, 14h, 2020, there were 20 approved collaborative spaces in New Jersey, some of which have multiple locations. Indiegrove, located in Jersey City closed its operations during this quarter and has been removed from the approved collaborative spaces.

NJ Ignite Program – Q3 2020 Review

The following information below indicates activity for the NJ Ignite program in the 3rd quarter. With the Governor's Executive Order to Work from Home, most of the NJ Ignite sites were closed during Q2 2020. Even after the stay-at-home order was lifted in June, interest by companies that might otherwise locate at collaborative workspaces appeared to remain low, leading to approved workspaces like Indiegrove to close (as mentioned in the preceding paragraph). Feedback from several approved collaborative workspaces continue to show the financial stress in the sector. In addition, staff was also focused on helping NJ based small businesses via the NJEDA's various Covid-19 relief programs. As such, there were no new Workspace Approvals for the 3rd Quarter.

Kearny Point did receive expanded approval to include a new building in its existing approval, along with the single tenant approval in the quarter.

Tenant Approvals

Tenant Name	Workspace Name	EDA Grant	Number of Employees
Helix Wireless	Kearney Point	$ 14,350.00	2

NJ Ignite 3rd Quarter approvals totaled $14,350.

***For Informational Purposes Only* – <u>NJ Entrepreneur Support Program</u>**

On March 26, 2020, the NJEDA Board approved the NJ Startup Entrepreneur Support Program (NJESP) to help support New Jersey entrepreneurial businesses with limited funding to navigate COVID-19 related cashflow constraints by giving them access to investor support. Under the program, existing investors of the entrepreneurial businesses (operating in Innovation Economy sectors) receive a guarantee (up to 80%, not to exceed $200,000 per company) for a new, qualified bridge loan/convertible note into the NJ entrepreneurial business. The total program budget is $5 million.

NJ Entrepreneur Support Program (ESP) – Q3 2020 Review
Applications for the program opened on April 22, 2020. During Q3 2020, fourteen applications were approved for investments in six unique businesses for combined Promissory Note investments of $790,000 and NJEDA Guarantee amount of $632,00. Of note, during Q3 2020, three applications were declined, and twelve applications were withdrawn.

The following details approved applications:

Sector	# of Businesses in the Sector	# of Applications	% of Total Approved Applications	Approved Guarantee Amount	% of Total Approved Guarantee Amount
Food and Beverage	1	2	14%	$184,000	29%
Life Sciences	1	1	7%	$160,000	25%
Information / Technology	4	11	79%	$288,000	46%
Total	**6**	**14**	**100%**	**$632,000**	**100%**

Of the six approved businesses program participants, one business is minority or woman owned. These six businesses represent a total 52 full-time employees in New Jersey.

Year-to-date, 84 applications were received for investments in 27 unique businesses for a combined Promissory Note investment of $5,997,443 and NJEDA Guarantee amount of $4,855,259

The following companies participated in the NJESP program.

- <u>Acuitive Technologies, Inc.</u>: Allendale, NJ based Acuitive Technologies, Inc. is pursuing material technologies improving medical device performance and patient outcomes. Acuitive's technology is based on an intellectual property platform involving citrate-based resorbable polymers with material properties that improve cell response, biodegradablility, tissue healing and post-operative infection control. Acuitive employs 21 employees. Acuitive has also participated in Angel Tax Credit program.

- InquisitHealth, Inc.: River Edge, NJ based InquisitHealth, Inc. offers a scalable, fully managed, tech-enabled peer mentoring solution - Mentor1to1™, a HIPAA-compliant technology platform. InquisitHealth technology platform provides chronic disease self-management solution for patients, but also actionable insights for caregivers including optimizing patient outcomes and management of peer mentors. InquisitHealth is a minority owned business. InquisitHealth employs eight NJ employees. InquisitHealth has participated in multiple programs including – NJ CoVest loan, Angel Tax Credit, Founders & Funders.

- MAPay, LLC: Voorhees, NJ based MAPay deploys distributed ledger technology to process healthcare payments. MAPay aims to reduce healthcare transaction costs, improve payment performance, while building a blockchain-based network of proprietary healthcare information that will have a positive impact on healthcare outcomes. MAPay LLC employs one NJ employee.

- POM Partners Inc.: Newark, NJ based POM Partners provides personal safety solutions for the higher education, healthcare and enterprise industries, which enable users to instantly and discreetly connect with the nearest emergency responders via a combination of a GPS enabled hardware device and mobile application. POM Partners is based in an Opportunity Zone and employs three NJ Employees.

- Sweetberry Holdings LLC: West New York, NJ based Sweetberry Holdings LLC is Healthy fast casual restaurant brand. Sweetberry Holdings employs sixteen employees in NJ.

- Tripod Technologies LLC: Cherry Hill, NJ based Tripod Technologies LLC builds and operates eureQa, a Software as a Service platform for testing digital applications. Tripod is a minority owned business. It employs three employees in NJ. Tripod received Edison Innovation Angel Growth Fund Loan which it has repaid in full.

A list of all NJESP applications that were approved under delegated authority during the third quarter of 2020 is attached as Exhibit B.

***For Informational Purposes Only* –Edison VII, Secondary Sale**

In January 2012 NJEDA Board approved $2M commitment in Edison Partners seventh fund – Edison VII. The Authority commitment represented 0.8% of the fund capital. Edison VII made Investments into 25 portfolio companies during the time from 2010 through 2015 and follow on investments continued into those companies through 2020. Since the original fund commitment, the Authority has received $2,537,895 in fund distributions resulting in a 1.27x of return on capital committed. There are 10 remaining portfolio companies. Two of these companies are NJ based businesses – Zelis and Trial Scope.

The partners of Edison VII have given the option of a secondary sale of all Limited Partner (LP) positions to a secondary buyer, Hollyport. The transaction was originated by the request of some LPs who were seeking liquidity for a 2009 vintage investment, which has exceeded the original 10-year investment period. The majority of the LPs recently approved an extension of the current Edison VII fund through July 2021. The transaction at hand requires a selection for all LPs to roll their current Edison VII investment into a new Limited Partnership "Rolling LPs" or the default assumption to all LPs in the fund, is the agreement to sell the position under the terms provided. Staff considered this request against the Authority's Economic Development goals and in consultation with the Attorney General's office, recommended participating in the secondary sale in a memorandum dated September 10, 2020.

Tim Sullivan, CEO

ESP Prepared by:
Madhavi Bhatia

Memo Prepared by:
Jennifer Toth

EXHIBIT A

Q3 2020 Delegated ATC Delegated Approvals

Investors	Employees in NJ	Company	Investment	Proposed Tax Credit
Thole Family Trust		Angel Medical Systems, Inc.	$40,000	$4,000
David M Stern Family 2011 Trust		Angel Medical Systems, Inc.	$491,369	$49,137
AHM Gift Trust		Angel Medical Systems, Inc.	$150,000	$15,000
Sarah Fischell Family Trust		Angel Medical Systems, Inc.	$240,000	$24,000
Peter J Stern Family 2011 Trust		Angel Medical Systems, Inc.	$491,369	$49,137
TDC Holdings, LLC		Angel Medical Systems, Inc.	$250,000	$25,000
Erin Marie Fischell		Angel Medical Systems, Inc.	$25,000	$2,500
Stacy B and Robert G Holstein		Angel Medical Systems, Inc.	$148,000	$14,800
Susan Rudolph Fischell		Angel Medical Systems, Inc.	$450,000	$45,000
David Fischell Family Trust		Angel Medical Systems, Inc.	$860,738	$86,074
Thomas G Medndell		Angel Medical Systems, Inc.	$556,738	$55,674
11	**NJ: 21 Total: 25**	**Angel Medical Systems, Inc.**	**$3,703,214**	**$370,322**
Sivarama Nutalapati		AptaResearch, LLC	$250,000	$25,000
Sivarama Nutalapati		AptaResearch, LLC	$100,000	$10,000
2	**NJ: 8 Total: 8**	**AptaResearch, LLC**	**$350,000**	**$35,000**
Kevin Jones		Bark Biome, LLC	$25,000	$6,250
1	**NJ: 2 Total: 2**	**Bark Biome, LLC**	**$25,000**	**$6,250**
David Wilds		Fusion Recruiting Labs	$105,420	$10,542
1	**NJ: 40 Total: 48**	**Fusion Recruiting Labs**	**$105,420**	**$10,542**
Rashpal Singh		Shinkei Therapeutics, LLC	$250,000	$25,000
Harinath Gangasani		Shinkei Therapeutics, LLC	$50,000	$5,000
Kota and Bina Chandrasekhara		Shinkei Therapeutics, LLC	$250,000	$25,000
Gurpartap Sachdeva		Shinkei Therapeutics, LLC	$200,000	$20,000
4	**NJ: 3 Total: 3**	**Shinkei Therapeutics, LLC**	**$750,000**	**$75,000**
Venkata R Bandaru		Sonnet BioTherapeutics, Inc.	$250,000	$25,000
1	**NJ: 4 Total: 5**	**Sonnet BioTherapeutics, Inc**	**$250,000**	**$25,000**
20	**NJ: 78 Total: 91**		**$5,183,634**	**$522,114**

Exhibit B

Q3 2020 Entrepreneur Support Program Delegated Approvals:

Entrepreneur Business	Investor	Eligible Bridge Loan / Promissory Note	Guarantee Amount	NJ Employees
Acuitive Technologies, Inc.	Alex I Khowaylo	$200,000	$160,000	
Acuitive Technologies, Inc.	**1**	**$200,000**	**$160,000**	**NJ: 21 Total: 21**
InquisitHealth, Inc.	Hudriv Investments LLC	$25,000	$20,000	
InquisitHealth, Inc.	**1**	**$25,000**	**$20,000**	**NJ: 8 Total: 9**
MAPay LLC	Sean O'Donnell	$50,000	$40,000	
MAPay LLC	**1**	**$50,000**	**$40,000**	**NJ:1 Total:1**
POM Partners Inc.	Hawthorne II Investment LP	$30,000	$24,000	
POM Partners Inc.	Scott Jones	$15,000	$12,000	
POM Partners Inc.	Jerry Labowitz	$50,000	$40,000	
POM Partners Inc.	Cayuga Venture Fund V, LP	$40,000	$32,000	
POM Partners Inc.	**4**	**$135,000**	**$108,000**	**NJ:3 Total:3**
Sweetberry Holdings LLC	Nap IV LLC	$200,000	$160,000	
Sweetberry Holdings LLC	27 HD LLC	$30,000	$24,000	
Sweetberry Holdings LLC	**2**	**$230,000**	**$184,000**	**NJ:16 Total:16**
Tripod Technologies LLC	Pamela K. Piotrowicz	$25,000	$20,000	
Tripod Technologies LLC	SRI Capital, LLC	$50,000	$40,000	
Tripod Technologies LLC	Jeffrey W Griffiths	$25,000	$20,000	
Tripod Technologies LLC	Susan Yee	$25,000	$20,000	
Tripod Technologies LLC	Robert J Ciaruffoli	$25,000	$20,000	
Tripod Technologies LLC	**5**	**$150,000**	**$120,000**	**NJ:3 Total:3**